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NEWS SUMMARY

GENERAL

Fowler refuses to increase pay offer

Youths cleared

11 hurt in crash

P.O. plans rapped

Walesa moved

Soviet demo plan

U.S.-Morocco deal

Prisoners freed

Nicaragua plea

'Spy' plane fine

Beatles' bonus

Jumbo birth

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Briefly

BUSINESS

Equities up 3.5; gilts rise 0.16

STERLING fell to \$1.794

DOLLAR rose to DM 2.241

GOLD fell \$6.75 an ounce

IMF has lowered its expectations

OIL DEMAND worldwide will not recover

MANUFACTURING industry investment is likely to be slightly less

CEGB's next chairman will be Dr Walter Marshall

GEC wants a minority stake in the major industrial technology part of the West German company AEG

DAIMLER-BENZ, the West German car maker, booster after-tax profits 16.2 per cent

STONE-PLATT Industries' receivers have sold the largest, most profitable division of the engineering and textile group

BAIRSTOW EVES, the Essex-based estate agency, is offering 1m ordinary shares at 46p each

BOOTS, the chemist, increased taxable profits to £124.7m

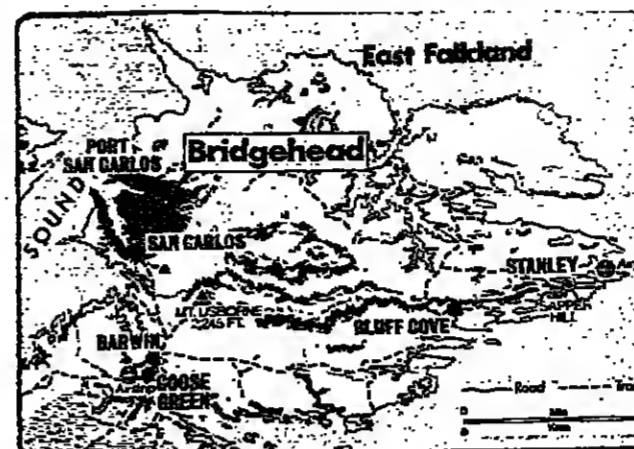
PLESSEY advanced pre-tax profits 32 per cent to a record £111.4m

COURTAULDS increased taxable profits by £46m to £51.1m

Task force troops break out of San Carlos bridgehead

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE MILITARY campaign in the Falklands entered a new phase yesterday as British troops began to move out in strength from the San Carlos bridgehead...



had launched a two-pronged attack aimed at the eventual recapture of Port Stanley...

Japanese import tariffs cut in trade package

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN will abolish import tariffs on 96 items from next April and lower them on another 119...

The package, launched with maximum publicity represents Japan's final attempt to defuse the trade frictions with Western nations...

Japan's Ministry of Agriculture strongly opposed the abolition of quotas and the idea eventually had to be abandoned...

Another major test of success will be the reactions of Western heads of government at the Versailles economic summit in a week.

Thatcher states ceasefire terms

BY PETER RIDDELL, POLITICAL EDITOR

MRS THATCHER yesterday made it clear that the British approach to renewed diplomatic activity at the United Nations would be that any ceasefire in the Falklands conflict must be unequivocally linked with a firm and unconditional Argentine commitment immediately to commence withdrawal of its forces from the islands.

Senior ministers believe that given the current military position, uncompromising language which stops short of demanding unconditional surrender is necessary to induce Argentina to withdraw.

FALKLANDS - WEATHER

Wind WNW Force 6-7 (25-30 knots); 12-15ft seas with WNW swell. Rather cloudy with rain showers. Temp. low-40s. F. OUTLOOK: Wind W Force 5-6 (20-25 knots); 10-14ft seas. Clearer and cooler with showers. Temp 36-40F.

London edited by Mr Ken Livingstone, the Greater London Council leader, and Mr Ted Knight, leader of Lambeth Council, yesterday sharply attacked Mr Foot's leadership.

Labour, they alleged had put itself firmly in the "imperialist camp". It was clear yesterday that senior ministers were giving further thought to the longer term future of the islands.

LIBERALISATION OF JAPAN'S IMPORT MARKET

Officials said the government had done at least as much as could have been expected. From Japan's point of view, the measures will have achieved their immediate purpose if they result in the dropping of attempts by the U.S. Congress to legislate against Japanese imports on the basis of the "reciprocity" principle.

Another major test of success will be the reactions of Western heads of government at the Versailles economic summit in a week.

BNOC to seek rise in N. Sea oil price

BY RAY DAFTER, ENERGY EDITOR

THE BRITISH National Oil Corporation is likely to press today for an immediate increase in North Sea oil prices. The corporation is expected to ask other major buyers and sellers of Britain's crude oil to approve an increase of about \$2 a barrel, from the present \$31, to take effect on Tuesday.

A price rise next week would mean the premature end of an agreement between BNOC and the rest of the industry. At the beginning of April, the corporation, which is the main trader of North Sea oil, and has the

GUS bid for Empire is blocked

By Ray Maughan

THE Office of Fair Trading yesterday blocked the £7m cash and share offer by Great Universal Stores for Empire Stores (Bradford), the catalogue mail order group, by referring the deal to the Monopolies and Mergers Commission.

GUS, which takes in Hector Powe, Burberrys and Times Furnishing, already controls 29.99 per cent of Empire and has lined up further acceptances worth almost 10 per cent. The OMT said yesterday it had also asked the Monopolies Commission to investigate and report on the "existing merger situation".

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A SELECTION OF LONDON OFFICES

Advertisement for Vigers Chartered Surveyors, listing various office locations and their specifications, such as 'W1 Air Conditioned Floors 4,600 to 23,300 sq. ft.' and 'W1 Economical Single Floor 3,500 sq. ft.'.

Table of price changes for various commodities and currencies, including gold, silver, and different types of bonds.

EUROPEAN NEWS

Mauroy drops hints of change in economic policy

BY DAVID HOUSEGO IN PARIS

SPECULATION THAT France's Socialist administration is preparing public opinion for a shift in economic policy was further fanned yesterday by M Pierre Mauroy, the Prime Minister. He spoke of the need for the Government "to change speed" and adapt itself to a long term haul. "There will be no recovery of the Western economies this June," he said in an interview. "We must take account of that. Everywhere around us inflation is on the decline. We cannot allow the gap between our inflation rate and that of our partners to grow."

Schmidt support on franc

BY JAMES BUCHAN IN BONN

WEST GERMANY'S Chancellor, Herr Helmut Schmidt, has come out publicly in opposition to the view, current among senior levels of Bonn circles, that a withdrawal of France from the European Monetary System could be a real possibility by the end of this year. "I am not of this view," the Chancellor said on Wednesday night. He was replying to a question about a report in the Financial Times, citing fears in the Bonn Government that pressure on the French franc could force not only a devaluation but

Hopes rise for end to Citroen strike

BY OUR PARIS CORRESPONDENT

A SETTLEMENT seemed in sight yesterday to the five-week strike at the Citroen motor company. Three of the group's plans have been involved in probably the most bitterly fought industrial conflict in France since the Socialists took office a year ago. Both management and unions gave an encouraging response to the radical proposals put forward by M Jean-Jacques Depierreux, a government mediator, on Wednesday night. Their effect would be to strengthen union powers greatly at Citroen. This will benefit in particular the pro-Socialist CFDT union and the Communist-led CGT which claim to have been barred from operating freely at the company. The proposals also provide moderate improvements in pay and working conditions. M Jacques Lombard, chairman of Citroen, said yesterday that although some of the proposals were "costly and others would bear heavily on labour relations," the company was ready to accept them. He called for a resumption of work and an end to picketing which has halted work at plants in the Paris region.

Soviet Union's future leaders step into the limelight

BY ANTHONY ROBINSON IN MOSCOW

THE FUTURE Soviet leadership pattern has moved into sharper focus with the appointment of Mr Vitaly Fedorovich (64) to replace Mr Yuri Andropov as head of the security apparatus, the KGB. Mr Fedorov, unlike his predecessor, is a long-standing member of the Politburo. He joined in 1939 and made his way up through the ranks until his promotion to the organisation's leader in the Ukraine in 1970. For the past 12 years, therefore, he has been responsible for security in the second largest of the 15 Soviet republics. Not only is the Ukraine one of the most important industrial and agricultural regions of the Soviet Union, it is also a region with strong nationalist feeling and with substantial Polish and other minorities.

During Mr Fedorovich's tenure, the Ukrainian KGB has waged a constant struggle not only against political dissidence in general but also against nationalism and the strong religious sentiments of Roman Catholics and Orthodox. This task became even more important over the past two years as the Ukraine borders on Poland and, together with the Baltic states, is the most susceptible to the "Polish contagion." Mr Fedorovich's awareness of the implications of the Polish crisis could well be one of the reasons why he was chosen above the heads of the two existing first deputy KGB chairmen: Mr Georgy Tsinev (74) and Mr Viktor Chebrikov (59). Maintaining Soviet control over Eastern Europe is likely to be one of the most complex tasks facing the Soviet leadership in the years ahead. It is also significant that the Soviet leadership has chosen a KGB professional rather than a politician after 15 years when the security organisation was firmly in the hands of Mr Yuri Andropov, party official and a Politburo member. Following his promotion earlier this week to a key party secretariat position, however, Mr Andropov has become the clear favourite to take over leadership of the Communist party when Mr Leonid Brezhnev leaves the scene. During his stewardship of the KGB Mr Andropov made it "respectable" by emphasising that the organisation was under the control of the party and operated according to the rules of Socialist legality. Now he has a chance to make himself "respectable" and suitable for the top leadership by distancing himself from direct KGB involvement and assuming wider ideological and other responsibilities. Even so, the memories of the terror applied by the fore-runners of the KGB in the Stalinist period run deep and Western diplomats believe that there was probably considerable political opposition to the idea of having both a former KGB chief as future leader and another powerful politician in the KGB slot. Such prominence for the KGB would almost certainly have been opposed not only by the party apparatus but also by other powerful institutions. This probably explains why

Mr Geldar Alejev, the dynamic 57-year-old party boss from Azerbaijan was passed over, even though he has both professional KGB and party political experience. Another interesting element in the appointment of Mr Fedorovich is that it appears to underline a new emphasis on professionalism in choosing the new generation of leaders now coming to the fore. This trend first emerged two years ago with the promotion of Mr Mikhail Gorbachev to the Politburo. Mr Gorbachev, who is 50-years-old, brought to the post both legal training and the agricultural expertise so needed in his position as Politburo agricultural overlord. It was underscored again earlier this week when Mr Vladimir Dolgikh (58) was promoted to candidate Politburo status. This is almost certainly the stepping stone eventually to taking over the prime ministerial post, and hence overall responsibility for the Soviet Government when Mr Nikolai Tikhonov, the 76-year-old incumbent, steps down. Mr Dolgikh was a highly successful manager of a mining and metallurgical complex in Siberia before coming to Moscow 10 years ago. He then became party secretary in charge of heavy industry in the region. In conclusion, it can be seen that this has been a crucial week for the Soviet leadership. In effect, both the Soviet people and the world at large have been given notice as to who can now be expected to lead the Communist party, the Government and the security apparatus in the 1980s. The post-Brezhnev era is on its way.

Irish bank warns on economy

By Brendan Keenan in Dublin

FURTHER CORRECTIVE measures, perhaps even a supplementary budget, may be necessary if the Irish Government is to meet its financial targets for the current year. That is the view within the Irish central bank, which says in its annual report that significant extra taxes or spending cuts will have to be imposed to make up for recent tax concessions. The bank has been warning for years about Ireland's growing public deficits, but the note of concern is increasing, since bankers are worried that there may be difficulty in financing the balance of payments deficit this year. —Despite a projected improvement in the balance of trade, the deficit this year is expected to remain at around the 1981 figure of £1.3bn (£1,09bn), which would represent 11 per cent of GNP. The bank sees no prospect of a fall in Irish interest rates, which are now above 20 per cent. Indeed, in the absence of corrective measures, there is a belief that they might go even higher, with "personal borrowers bearing the brunt in order to protect the productive sector." Bankers see little sign of what they believe to be the necessary measures, particularly in the present climate of political deadlock. Accordingly, the report warns that monetary policy, which allows for a 1.5 per cent credit growth this year, might be tightened still further if the situation does not improve. The difficulties facing Mr Charles Haughey's Government were illustrated by its defeat in Tuesday's by-election. Government supporters blame the recent increases in social insurance contributions—despite an 18.5m rebate—for their candidate's defeat. The bank's report says that, if the country does not make adjustments soon, adjustment will be forced upon it. In general, it predicts a modest rise in Irish GDP, but a fall in GNP. It thinks the inflation rate, now 20 per cent, should moderate to 14 per cent by the end of the year.

Moscow overtakes U.S. as leading arms exporter

BY DAVID BUCHAN

THE SOVIET UNION has displaced the U.S. as the leading arms exporter in a booming world market in weapons, according to the latest annual report by the Stockholm International Peace Research Institute (Sipri). U.S. arms exports slipped in the 1979-81 period as a result of the former Carter Administration's one-sided efforts to reduce the world arms trade. But President Reagan has since reversed this and reinstated arms sales as a major instrument of U.S. foreign policy. The 1982 Sipri yearbook, published yesterday, said that world arms spending rose in real terms about 3 per cent last year, as it had done for the previous three years. The Swedish institute noted gloomily that the period since the United Nations first set sales to disarmament in 1978 has seen retrogression, rather than progress, in arms control. Developing countries are buying ever more expensive and sophisticated weapons. "During the past decade, when world trade in general rose by 70 per cent, the volume of sales of major weapons to the Third World went up by over 300 per cent," according to Mr Frank Barnaby, the Sipri chairman. Increasingly demanding hard

currency in payment, the Soviet Union has stepped up its arms sales to India, Cuba, the Middle East and Africa. Moscow is evidently giving these arms transfers "a greater role than economic aid or trade" in spreading Soviet influence in the Third World, the Sipri report says. For its part, the U.S. is introducing a new level of arms into areas of Asia and Latin America, with its planned F-16 jet sales to South Korea and Venezuela. Among West European arms exporters, France has taken a commanding lead, accounting for an arms trade three times as large as that of

the UK in the last five years. The Falklands war "underscores some of the points in the Sipri report, which mentions Argentina as among those Third World countries that are developing a worryingly large domestic arms industry, in addition to imports. The Soviet Union produces the U.S. in conventional weapons, but it still comes three to five years behind in micro-electronics and computers, the key area in modern arms technology. Under Mr Reagan, U.S. military spending is accelerating, with an increase of 5.9 per cent last year compared to an average 1 per cent for the rest of Nato. The big exception in the general trend was China, where defence spending was cut 13 per cent. Two particularly disturbing trends for the future are the development of anti-satellite weapons and the growth of chemical weapon research and production. Sipri says that military satellites are being launched at the rate of one every three days by the two superpowers which are also working hard on means of shooting them down. The one note of hope which Sipri detects is the rise in public concern about arms stockpiles.

Walesa moved to new place of detention

BY CHRISTOPHER BOBINSKI IN WARSAW

MR LECH WALESA, the leader of Poland's suspended Solidarity union movement, has been moved to a new place of detention, according to Mr Jerzy Urban, the Government spokesman. He said he was unable to say where Mr Walesa had been taken after being held in isolation at a villa in Otwock, outside Warsaw. Mr Walesa has been interned since last December. The move came before May 13, when Solidarity called a 15-minute strike at noon and the authorities feared an attempt might be made to free the union leader. Mr Urban said Mr Walesa's conditions of internment had improved. It is thought he is being held in south-eastern Poland. The statement came on the eve of the first anniversary of the death of Cardinal Stefan Wyszyński. But the fear of unrest on the anniversary has been removed following an agreement on the siting of a monument to the late Primate. Over the past year, people have insisted on placing a cross of flowers on the place in Victory Square where the Primate's coffin stood during his funeral. The authorities with equal persistence have removed the cross when the square is used for military parades. The issue could have caused trouble, but the authorities have now agreed to put a plaque on the spot and erect a monument nearby. Mr Urban also admitted that

the number of internees had increased since the beginning of May when, in a liberal gesture, the authorities released some 1,000 people. The numbers in the internment centres then dropped to some 2,000. Mr Urban also said that the number of people arrested on political charges was over 1,000. Former internees, he said, had been issued with passports and they and their families, 80 people in all, were still waiting for visas from Western embassies. Mr Urban was, however, unable to say how many people had been sacked for stopping work on May 13. The authorities have claimed that the strike failed.



Mr Walesa (right): held in isolation

Anti-Nato 'peace' rallies held in E. Germany

BY LESLIE COLTIT IN BERLIN

EAST GERMANY yesterday held a massive official peace demonstration under the slogan: "Create peace—against Nato weapons." It was designed to counter a church-sponsored peace movement with its pacifist slogan: "Create peace without weapons." Tens of thousands of Communist youth organisation members gathered in the centre of East Berlin in the first of a series of official peace rallies throughout the country. Soldiers took part to demonstrate their "firm determination" to achieve the greatest possible increase in "fighting strength and combat readiness." The young people promised to devote all their efforts to "strengthening our Socialist fatherland." Supporters of the peace movement backed by the East German Protestant Church said wearers of their emblem were stopped by the police on the street and taken to the nearest police station where the emblems were removed and their names and addresses taken.

The East German writer, Herr Stefan Heym, said yesterday's Government-organised demonstration in the capital was "as if a peace demonstration in Bonn would be held solely against Soviet nuclear weapons, even Ronald Reagan and Franz Josef Strauss could safely take part in that." One youth organisation member was quoted as saying she would be taking part in a peace rally in Saxony because of U.S. plans to "launch a nuclear conflict in Europe." The organisation is using the peace rallies to renew young people's loyalty pledges to East Germany and to obtain promises of increased production. The newspaper, Junge Welt, quoted a youth labour brigade in a carpet factory which said it would achieve two extra days production by September in order to "strengthen socialism and to secure peace." A youth brigade for dismantling said its contribution to the peace demonstrations was to save 26,000 Marks by using 6.5 tonnes of recycled drainage pipes instead of new materials.

W. German trade surplus falls

By Stewart Fleming in Frankfurt

West Germany's trade surplus in April to DM 3.4bn (£615m), almost half the record DM 6.4bn (£1,115m) reported in March, the Federal statistical office disclosed yesterday. The current account remained in surplus last month, although the figures were sharply down: a surplus of DM 200m compared with the March surplus of DM 2bn. Monthly fluctuations in the trade and current accounts are expected and most economists are continuing to predict that the dramatic improvement in West Germany's international performance over the past 12 months will lead to the elimination of the current account deficit of DM 17bn reported for 1981, in itself sharply down from the DM 30bn reported in the previous year. Figures for the first four months give an indication of the scale of the turnaround. In the first four months of last year, the country reported a trade surplus of DM 3bn (exports totalled DM 124.7bn and imports DM 121.7bn). The surplus in the same period of this year was DM 14.6bn (exports DM 144.1bn and imports DM 129.5bn). In the same period, the current account deficit has been cut from DM 9.3bn to DM 1.7bn. The April trade figures showed exports of DM 38.5bn compared to DM 41.8bn in March, and imports of DM 33.1bn (DM 35.4bn).

JOINT COMPANY ANNOUNCEMENT
WESTERN DEEP LEVELS LIMITED
WESTERN ULTRA DEEP LEVELS LIMITED
(Both of which are incorporated in the Republic of South Africa)
EXTENSION OF WESTERN DEEP LEVELS LEASE AREA
On July 12 1980, Western Deep Levels Limited (WDL) and Western Ultra Deep Levels Limited (WUDL) announced details of an agreement whereby, subject to the approval of the Minister of Mineral and Energy Affairs, WUDL, as the holder of the mineral rights, will grant to WDL the right to mine the Venterdorp Contact reef over an area of approximately 121 hectares immediately south of the existing WDL mining lease area. In terms of arrangements subsisting between WUDL and WDWatershed Deep Levels Limited (Wit Deep), the latter company has a 22.5 per cent participation in 1,024 hectares, and is therefore also party to the abovementioned agreement. WUDL has now been notified that the Minister of Mineral and Energy Affairs has agreed to grant it a mining lease over the area referred to, and to the simultaneous cession of such lease to WDL, to be mined conjointly with, and on the same terms as, the existing WDL mining lease area. Accordingly, in terms of the agreement, and in consideration for the cession of the new lease, the directors of WDL on May 5 1982 allotted a total of 350,000 "C" ordinary shares of R2 each at par in the capital of WDL, credited as fully paid up, as follows:— (a) 454,073 "C" ordinary shares to WUDL. (b) 95,927 "C" ordinary shares to Wit Deep. The conditions attaching to the "C" ordinary shares, in terms of the special resolution of WDL which created them, were that: (a) the holders of such shares would be entitled to receive a dividend per share, to be declared, comprising: (i) the sum of all dividends per existing ordinary share declared by WDL during the period from the date of creation of the "C" ordinary shares, namely, September 12 1980, to the date of their allotment; and (ii) an amount representing the after-tax income which the holders of such shares could have earned on the investment of amounts which they would have received had they been issued with 550,000 ordinary shares at the date of the creation of the "C" ordinary shares, calculated on the basis of the rates of interest which WDL received from time to time of its three months' deposits, less tax at normal company rate, as certified by its auditors; (b) immediately upon payment of the dividend thereon, the "C" ordinary shares would become ordinary shares, and rank pari passu in all respects with the existing ordinary shares of WDL. In fulfilment of the above conditions, WDL declared a dividend on May 10 1982 amounting in total to R4 675 157.64 (equivalent to 850.023662 cents per share) to the holders of the "C" ordinary shares. Upon payment of this dividend on May 11 1982, the 350,000 "C" ordinary shares became ordinary shares of R2 each in the capital of WDL, ranking pari passu in all respects with the existing 25,000,000 ordinary WDL shares in issue. The authorised capital of WDL is now R55,100,000 in 27,550,000 ordinary shares of R2 each, of which 25,550,000 ordinary shares of R2 each have been issued. A further 2,000,000 ordinary shares of R2 each are held in reserve against the exercise of options issued in conjunction with the company's debentures. The Johannesburg Stock Exchange and The Stock Exchange in London have granted listings of the additional 350,000 ordinary shares issued in terms of the above arrangements. Johannesburg May 27 1982

Rupert Cornwell, recently in Milan, turns a spotlight on the Grand Guignol of Italian opera Victim of modern paradox and local politics

THE PUBLIC ADDRESS system intoned impersonally: "Given the audience's lack of self-control, tonight's performance has been called off." Seconds later the massive fire curtain swept down and, unprecedented in La Scala's two centuries of history, a first night had simply not taken place at all. That evening of February 14 last has been described the worst moment for Italy's—and perhaps the world's—most famous opera house, since the day in August, 1943, when it was half-battered by Allied bombing. Barely five minutes before curtain up, the same faceless voice had announced that Miss Montserrat Caballe, the Spanish soprano, was unfit to sing the title role in Donizetti's Anna Bolena. It did not even have time to give the name of the stand-in before the house went berserk, baying, if not for the head of at least for a personal explanation from Sig Carlo Maria Badini, La Scala's superintendent. With justifiable concern for his own safety, Sr Badini demurred. Finally a still furious public was induced to leave the theatre, as squads of riot police were called into the ribby square outside to prevent any further trouble. At this point, the casual reader might inquire "so what?" Lead singers have, on other occasions, cried off for reasons of ill-health. Might the episode not just have been a typical display of bad manners by a volatile Italian audience? Not so, however. Even re-

strained observers, horrified by what they had just witnessed, agree that the scenes were not an isolated outburst. Rather, the withdrawal of Miss Caballe was the straw that broke the camel's back; when a season, which even Sig Badini admits has been a nightmare, touched rock bottom. La Scala in 1981-82 has conclusively proved Murphy's law: that everything which can go wrong, will go wrong. Bad planning, bad luck, and sometimes bad tempers have meant that several top names have shunned Milan. The programme has been changed frequently, and one scheduled opera, Rossini's L'Italiana in Algeri had to be substituted at the last moment. In April, Sig Giorgio Strehler quit as La Scala's artistic adviser. Most serious of all, perhaps, the number of performances this season will almost certainly prove to be the lowest ever. All this has been magnified by the special role of La Scala—not just in Italian and world opera, but in Milan itself. The theatre is both the city's pride and its emblem. After the devastation of war it was the first public building to be restored; on May 11, 1940, Sig Arturo Toscanini returned to the podium at the age of 79 to conduct the first post-war performance at La Scala, symbol of Milan liberated once more. It is not surprising, therefore, that Milan, like a lover betrayed, has turned against the institution for which it is best known. The role has been under way for several years, however. The reasons are complex and inter-related: in part peculiarly Italian, in part reflecting the problems of opera worldwide. "Without doubt the prograde causes are local. 'What's happening here,'" says Sig Romano Gandolfi, the theatre's chorus director, "is the precise reflection of the situation of the country." In other words, poor organisation, political inter-

ference, and no one in a position to exert full control. La Scala is a public body, heavily conditioned by the Milan municipality where the Socialists are dominant, and reliant on the vagaries of government for over 1,300m of its 1,830m (£33m) annual budget. Socialist sympathies tend to be a prerequisite for contenders for any of the top jobs, and all too frequently political factors can outweigh objective artistic criteria. If that were not enough, unionisation among the theatre's 700 permanent staff has meant that rehearsing an opera is subject to constraint similar to those at an Italian airport. Booking for La Scala can be as chaotic a business as booking with Alitalia. In the past the arguments and the improvisation mattered less. Today, however, opera functions on a planetary scale: "The theatre is now a business, and we have got to train our own management properly," Sig Badini put it recently. In terms of money, and prestige, La Scala now has rivals, and can ill afford the current problems. Sig Franco Zeffirelli has chosen to make his lavish film of Verdi's Traviata at Rome's Cinecittà, rather than at La Scala. "The standard of that opera house is now so dangerous that no one would chance it," he has declared. Programmes today have to be worked out, and stars signed up years in advance. La Scala's tradition demands the best, yet, where a decade ago there were half-a-dozen great tenors on the market, today more and more names are changing just two by three. "People still regard La Scala as the top, but to compete we have just got to organise ourselves properly," one of its most prestigious directors commented. Above all, the theatre has fallen victim to that paradox of modern opera: at a period when the art has never been as popular, there is simply not enough of it to go round. Records and recitals have made Pavarotti and Domingo household names, yet they cannot be everywhere at once. As a result, there is an enormous pent-up demand which only adds to the irritations

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U.S. to sell Lockheeds to Iraq

By Anatole Kaletsky in Washington

THE Reagan Administration has decided to sell Iraq six Lockheed L-100 civilian transport planes, which can easily be converted into the Hercules C-130 military models.

The move is an indication of the urgent concern which has developed in Washington over the outcome of the Iran-Iraq conflict. It suggests that the Administration may be prepared to override the protests of the Israeli lobby in Congress and the country at large and begin to play a more active role in trying to prevent an all out defeat for Iraq.

Israel has been selling military spare parts to Iraq, which it sees as less of a danger to its own security than Iraq.

The Administration's move comes about two months after the Commerce Department informed Congress that Iraq would be removed from the list of countries "which support international terrorism" and are therefore banned from receiving U.S. exports which could be adapted for military purposes.

Congressional committees had opposed the removal of Iraq from this list, leading to a deadlock with the Administration for the past few weeks.

Now the Commerce Department is believed to have informed Congress that export licences have been approved for the Lockheed sales to Iraq. It remains to be seen whether the legality of the exports will be challenged by Israel's supporters in Congress.

AP-DJ add: Samil media virtually wrote off yesterday the prospects of Iranian-Arab peace in the Gulf and the reconciliation with Iran's hard line Arab supporters.

Despite slow demand for scrap steel, Taiwan's shipbreakers look to a record year. Robert King reports Huge stocks of steel plate 'wait for prosperity'

SHIP DISMANTLERS in Kaohsiung, a port city in southern Taiwan, are planning to break a record tonnage of ships this year, despite slow demand for scrap steel on the island.

Already this year, Taiwan has bought more than 1.1m light displacement tons (LDT) of old ships, compared with about 1.9m LDT during all of 1981, in a surge of speculative buying. Taiwan is generally considered to have the world's largest dismantling industry. It traditionally scraps more tonnage per year than other nations in the business, such as Pakistan, South Korea and Spain.

During the record years of 1978 and 1979 Taiwanese shipbreakers scrapped about 2.9m LDT each year. A boom in the construction industry, which uses significant amounts of reinforcing steel bar, fuelled demand for scrap at the time. A downturn in construction activity, however, combined with high prices for old ships, caused Taiwan's dismantlers to break only 1.9m tons in 1980, and about 1.8m tons in 1981. At least 1.0 of the 60 major ship-

breaking companies suspended operations last year, according to Mr Yu-King Lee, secretary of the Taiwan Regional Association of Old Ship Demolition. Others elected to keep breaking ships in order to retain specialised workers—and ran into losses.

Mr Hui-Chung Chieh, an official of the Taiwan Iron and Steel Industries Association, believes that about 40 of the 250 small rolling mills in Taiwan were forced to shut down last year.

Mr Liu Chin-Chiu, president of Gi Yuen Steel Enterprises Company, which runs both a rolling mill and dismantling yards in Kaohsiung, gave, as an example, the maintenance of production last year, which lost NT\$70m (€1m) in his scrap-steel operations.

Nevertheless, while slow demand for scrap steel continues, however, dismantlers in Kaohsiung are finding per-ton prices for old ships of about U.S.\$110 (€61) extremely attractive compared with last year's average of about \$180

per ton. The Dismantlers' Association says that per ton prices can dip as low as \$73 for smaller ships.

Almost all of Kaohsiung harbour's 36 shipbreaking wharves are full now. Donkey engines whine, hoist cables rattle, and hulls of old ships groan as chunks of steel weighing as much as 45 metric tonnes are torn out of them.

A 30,000-ton tanker is being dismantled; teams of workers scramble feverishly aboard half-dismantled hulks, cutting sections of steel free with torches. Mr C. F. Wang, a supervisor at Tons Dismantling, estimates that 85 workers will reduce this tanker to neat piles of scrap and plate in 35 days.

Such speed is necessary. Most, if not all, of Kaohsiung's 60 major shipbreakers are forced to borrow money to buy old ships from private lenders at rates which can reach 40 per cent or more annually. The longer the ships lie at the wharves, the less profit the dismantlers realise.

Even superhuman speed may not bring profits to the dismantlers this year, however, despite the comparatively low prices of old ships. Before dismantlers start to see returns on their investments, the steel has to be sold and it is apparent that, at least on the local market, there is little current demand for scrap steel.

Mr Shieh of the Iron and Steel Association says that 90 per cent of steel scrap from ships is sold to rolling mills in Kaohsiung. The mills' output, in turn, is mostly round and deformed bars used in construction. "The bars' quality," he adds, "isn't high enough for export."

The construction industry remains depressed, however. The Government has nearly completed earlier public works projects and is not planning any more. Thus, the dismantlers and rolling mills may well find themselves sitting on ever-growing stockpiles of scrap steel as interest charges mount up.

"If they break so many tons of ships, they won't be able to sell all (of the steel)," predicts Mr Liu of China Steel. He adds that because his company's new blast furnace gives it the ability to process iron ore more cheaply than it can melt scrap, "we hope to reduce our purchases of scrap to zero."

Slow demand for steel has already driven down prices for scrap and some industry observers worry that mounting stockpiles from dismantling operations may drive prices even lower.

Taiwan's shipbreakers remain undismayed and expect this year to exceed the high-water marks of ships broken during 1978 and 1979. Mr Liu of Gi Yuen, for example, has purchased NT\$ 700m worth of new automatic melting and rolling equipment from Ferrel of Italy. The equipment, he says, will allow the company to process more steel more efficiently—a far cry from the primitive manual operations used by most other mills.

But the optimism of Mr Liu and others presupposes a rebirth of the island's construction industry—something Mr H. H. Tsai, deputy director of the central Government's Housing and Urban Development Department, indicates is not likely to happen this year.

Mr Tsai foresees little activity in high rise and commercial construction this year—a sector which takes more than 50 per cent of all structural steel consumed on the island. He also points to the completion of major public works projects, which take another 33 per cent or so of the steel. According to Mr Tsai, it is only the construction of middle-income housing that is likely to be stable this year, adding that this sector represents a small demand for structural steel.

Mr Lee of the Dismantlers' Association believes dismantlers are not making a profit, even with current low prices for old ships, because prices of structural steel are so low. He adds that shipbreakers now holding huge stocks of steel plate are "waiting for prosperity." But the time required for that prosperity to arrive, most observers agree, is probably longer than the dismantlers can afford to wait.

Hopes of end to Chad conflict fade as OAU deadline nears

BY OUR AFRICA EDITOR

PROSPECTS FOR a solution to the long-running civil war in the impoverished north African state of Chad are rapidly receding as the deadline for withdrawal of an Organisation of African Unity (OAU) peace-keeping force approaches.

The Chad Government of President Goukouni Oueddei has been given an ultimatum by the OAU to agree by June 10 to a ceasefire and to begin negotiations with his arch-rival, Mr Hissein Habre, whose forces now control much of the north and east of the country.

President Goukouni has so far adamantly refused to consider it, which means the OAU will withdraw on June 30.

Meanwhile, the problems of financing the peacekeeping force, made up of 5,000 men from Nigeria, Senegal and Zaïre, have yet to be resolved. The Nigerian Government has withdrawn one of its three battalions.

The United Nations Security Council has agreed to set up a voluntary fund for contributions from member states, but there is little prospect of it meeting the \$35m (£19.2m) requested by the peacekeeping-force commander for just three months' operations.

Failure of the OAU peace-keeping operation in Chad, the first ever mounted by the organisation, would prove a serious setback both to its hopes of providing African solutions to African problems, and to the French Government's support for this way of bringing peace to its former colony.

At the same time it would give renewed credibility to Col Muammar Gaddafi of Libya, who pulled his own troops out of Chad at the insistence of France and the OAU, after they had secured most of the country for President Goukouni.

Western diplomats do not expect Libya to step back into Chad if the OAU force pulls out at the end of June, because Col Gaddafi will be hosting the next OAU summit in Tripoli: Libyan intervention would be bitterly criticised by many African states, and could result in the meeting being called off. The diplomats also point out that Libya is much less able to afford the exercise because of reduced oil revenues.

Fear at the prospect of Libya intervening once more in the war emerged at last week's meeting of government representatives from Nigeria, Senegal and Zaïre, chaired by Kenya's President Daniel arap Moi, chairman of the OAU in Kinshasa.

The meeting concluded with a "strong appeal to all members of the OAU not to intervene in Chad outside this organisation," a clear reference to President Goukouni's visit to Tripoli the day before.

President Goukouni's own position in Chad is appreciably weaker than when he was chosen as compromise head of state in 1978. His Forces Armées Populaires (FAP) have been unable to withstand Mr Habre's Forces Armées (on Nord (FAN), and the OAU has flatly refused his demand for the peacekeeping force to take sides against the FAN.

His vice-president, Col Abdelkader Kamougue, the southern leader of the only regular army, the French-trained Forces Armées Tchadiennes (FAT), has been accused by Goukouni supporters of wanting to negotiate with Habre.

Now the Commerce Department is believed to have informed Congress that export licences have been approved for the Lockheed sales to Iraq. It remains to be seen whether the legality of the exports will be challenged by Israel's supporters in Congress.

AP-DJ add: Samil media virtually wrote off yesterday the prospects of Iranian-Arab peace in the Gulf and the reconciliation with Iran's hard line Arab supporters.

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S. Africa prepares to grant independence to bantustan

BY J. D. F. JONES IN JOHANNESBURG

SOUTH AFRICA has set in motion the process of giving independence to another Bantustan homeland—the state of Kwa Ndebele in the Eastern Transvaal—although even government supporters believe the territory is not capable of meaningful independence.

Kwa Ndebele has been the "self-governing" homeland of the South Ndebele people since last year, and its Cabinet has now requested the help of the South African Government in proceeding to full independence.

Joint committees are to work out details of land consolidation, the building of a capital, and economic development. The present population of Kwa Ndebele was officially estimated in 1980 as 166,000 but there were said to be over 600,000 Ndebele in the Republic itself. Conditions inside the proposed homeland are extremely underdeveloped and facilities are minimal, but hotel

groups have been reported interested in building a casino complex. The pro-Government Transvaal newspaper, Die Vaderland, said in an editorial this week that there was no justification for independence for the region since it had no infrastructure, no industries and no economic growth point.

Nevertheless, said the newspaper, if the local people asked for independence they must be given it even though it could not be viable. "South Africa and the national states will now have to forget about independence in the classic sense. A country like Ndebele has not the slightest chance of standing on its own feet or being internationally recognised."

Of the 10 proposed homelands, four have so far reached independence as "nation-states"—Transkei, Bophuthatswana, Venda and Ciskei. None of them is recognised by the outside world.



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Z is for ZANUSSI

Insurance Corporation reports another record year. Profits up 28.5%

Points from Review by Chairman Mr Perry Greer to the 47th Annual General Meeting of The Insurance Corporation of Ireland. "It is my pleasure to report that 1981 was again a year of further record group achievements. Premium income after reinsurance rose to £56,924,000 from £46,128,000 last year, and profit before taxation was £3,360,000 compared with £2,360,000. Profit after tax and minority interests was £3,360,000 compared with £1,720,000, an increase of 28.5%.

EARNINGS: After taxation of £2,854,000 (£2,672,000) and minority interests of £117,000 (£57,000) the net earnings amounted to £5,360,000 (£4,172,000) giving earnings per share of 95.93p (74.65p). Adjusting for the capitalisation issue on the 31st December, 1981, the earnings per share were £3.35p (49.77p). It is proposed to transfer £4,012,000 (£3,400,000) to general reserve.

At the end of the year capital and free reserves, including appreciation of investments and other assets over balance sheet values, were in excess of 75% of our non-life premium income after reinsurance.

DIVIDEND: We recommend a final dividend of 8.136p (5.167p) per share, which together with the interim dividend (adjusted) of 2.496p (1.92p) per share paid in October 1981 makes a total of 10.632p per share at a cost of £881,000 being 50% higher than the £594,000 paid in respect of 1980. This leaves £457,000 (£178,000) unappropriated.

FIRE AND ACCIDENT DEPARTMENTS: Premium income, after deducting reinsurance, amounted to £37,179,000 (£30,057,000). There is a loss of £731,000 (surplus £542,000) on profit and loss account.

In the home fire market the lack of new business resulting from the recession has increased the competition for existing business and brought the average market rate down to what many now believe to be an uneconomic level. In the Accident Department we have to record a substantial loss in our liability business, in a period of recession many businesses are unable to keep pace with rising costs and are forced to effect economies. These economies are reflected in the downturn of premium income while at the same time the incidence of reported claims is not reduced.

MARINE, AVIATION AND TRANSIT DEPARTMENTS: Premium income, after deducting brokerage, commission and reinsurance amounted to £11,345,000 (£8,119,000). We have now closed 1979 with a transfer of £209,000 to the Profit and Loss Account (nil for 1978 underwriting year).

LIFE ASSURANCE: Our Life company showed further strong growth in 1981 with premium income increased to £18,400,000 (£7,952,200). During the year a range of Groboud Exempt Funds for pension schemes was introduced to the market. There has been a satisfactory level of response. New recurring and non-recurring premiums increased by 83% and 113% respectively.

In view of the increased level of trading of the company and in anticipation of EEC Life Directive requirements becoming effective in 1984, it has been decided since 31st December, 1981, to increase the capital of the company by £506,000. The opportunity afforded by this occasion was taken to simplify the capital structure of the company so that it is now made up of one million fully paid shares of £1 each.

CREDIT FINANCE BANK: Our subsidiary company Credit Finance Bank Limited doubled its profits for the year to 31st December 1981. INVESTMENTS: Investment income amounted to £9,408,000 (£7,202,000), an increase of 31%.

CAPITAL: It is proposed to increase the authorised share capital of the company from the existing figure of £3.0 million to £10.0 million.

GENERAL: We continue to operate in an environment of high inflation and recessionary conditions generally. In addition the insurance industry is passing through a phase of overcapacity with resulting pressures on premium rates, in virtually every part of the world. In these circumstances your company can take some satisfaction from the excellent results achieved in 1981. Whilst one cannot afford to be too optimistic, we have every hope that our progress will be maintained.

All figures are stated in Irish pounds, the figures in brackets being in respect of 1980.

INSURANCE CORPORATION

Copies of the report and accounts may be obtained from: The Secretary, The Insurance Corporation of Ireland Limited, Burlington House, Burlington Road, Dublin 4, Ireland

THE FALKLANDS CRISIS

Galtieri delivers rebuff to Reagan

BY JIMMY BURNS IN BUENOS AIRES

PRESIDENT Leopoldo Galtieri has rebuffed an attempt by Washington to repair some of the damage inflicted on U.S.-Argentine relations as a result of the Falklands dispute.

In a personal message to President Ronald Reagan made public yesterday, the Argentine President said that any affirmation of the common interest and values binding Argentina and the U.S. was "incoherent" and "incomprehensible in the present circumstances."

General Galtieri was replying to a message he had received from President Reagan on the 172nd anniversary of Argentina's "May revolution" on Monday.

The message "warmly congratulated" President Galtieri on the occasion of Argentina's national holiday.

"Never has it been more important to reaffirm the com-

mon interest and values that unite Argentina and the U.S. and to reiterate our commitment to co-operation in the hemisphere and the world at large," President Reagan said.

Significantly, President Galtieri's rebuff comes only a few days after another member of the military junta, Admiral Jorge Anaya of the Argentine Navy, publicly stressed Argentina's ties with the West.

It comes at a time of apparent disagreement within the Argentine armed forces over the controversial issue of external military assistance, and the realignment of Argentine foreign policy.

Newspapers in Buenos Aires have attributed to President Galtieri a suggestion leaked by the military earlier this week that Argentina would be prepared to seek help from the Soviet Union rather than lose



Inches from disaster... an Argentine bombing raid on a Royal Fleet Auxiliary in San Carlos Bay

U.S. public backs 'two flags' compromise

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. public's attitude to the Falklands crisis appears to vary in inverse proportion to Britain's military successes. After the initial phase of the conflict, when Argentina's obvious aggression and the neutrality of the Reagan Administration whipped up a tide of Trans-Atlantic solidarity, there are now fewer bumper stickers supporting the British line to be seen in the streets of Washington.

In dinner conversations and political commentaries in the media the clearest condemnations of armed aggression have given way to arguments about how a compromise might be achieved.

These arguments assume that a compromise which takes account of Argentina's claims is both inevitable and justifiable.

The first turning point was the tragic weekend which saw the sinking of HMS Sheffield and of the General Belgrano. The second, and perhaps decisive one, was last weekend's occupation of the Falklands themselves by British forces.

"Two flags on the Falklands should revive diplomacy and end the bloodshed," commented

Anxieties accompany revulsion in Bonn

BY JIMMY BURNS IN BUENOS AIRES AND ANDREW WHITLEY IN LONDON

ARGENTINA IS actively seeking to diversify her cereal exports amid signs that her major trading partner, the Soviet Union, is continuing to hold up on new contracts.

Sr Alfredo Esposito, a senior Foreign Trade official, announced yesterday that Iran has agreed to buy nearly 1.1 million tonnes of grains over the next 12 months. The value of the contract and means of payment by cash-starved Iran were not disclosed.

On Wednesday Sr Guillermo Carracedo, Vice-President of the Association of Cereal Exporters, said that traders were "energetically" discussing the possibility of increasing Argentine cereal sales to other Latin American countries.

Latin American countries used to be among Argentina's

Cereal export outlets sought

BY JIMMY BURNS IN BUENOS AIRES AND ANDREW WHITLEY IN LONDON

major outlets. But they were virtually abandoned when Buenos Aires took advantage of the Carter grain embargo against the Soviet Union following the invasion of Afghanistan and doubled the volume of exports to Moscow.

Sr Carracedo said Argentina might try to sign new contracts with Brazil, Peru, Chile and Ecuador, in addition to stepping up its existing exports to Venezuela. Last week a number of relatively minor contracts with Venezuela, Japan, Taiwan and Spain, totalling 400,000 tonnes, were agreed.

Last year Moscow bought 12 million tonnes of Argentine cereals, nearly 80 per cent of the country's grain exports, and before the Falklands crisis broke Buenos Aires was hoping to increase this figure to 15 million tonnes.

"Soviet caution over the danger to shipping posed by the South Atlantic conflict, and its unresolved demand for extended credit terms, appear to be the main reasons for its reluctance to take up Argentine grain options."

But some Argentine traders are more cynical, suspecting that the Soviet Union may be holding back only temporarily in order to force Argentine prices down.

Ironically, U.S. farmers stand to gain most from the deadlock. Mr John Block, the U.S. Agriculture Secretary, said in Ottawa yesterday the U.S. has already shipped about 14 million tonnes of wheat to the Soviet Union this year and had offered up to 25 million tonnes.

U.S. public backs 'two flags' compromise

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"Two flags on the Falklands should revive diplomacy and end the bloodshed," commented

Mitterrand reaffirms support for Britain

BY DAVID WHITE IN PARIS

FRANCE has so far given no sign of abandoning its firmly-expressed position of "solidarity" with Britain over the Falklands crisis, despite concerns about the impact a prolonged war might have on its own relations with Latin America.

President Francois Mitterrand reaffirmed his position last weekend during a visit to Senegal, saying that Britain was an ally and that the ties between the two countries could not be "at the mercy of events."

He said France would do all it could to help bring about a cessation of hostilities "in the respect of legal rights" - a phrase repeated three times during his Press conference.

Although during the latest EEC crisis France called Britain's future place as a Community member into question, the French Government has been anxious to emphasise its attachment to continued political co-operation with the UK.

The Falklands issue gave it an opportunity to put its money where its mouth was.

On the other hand, Mitterrand made clear that France did not want to lose its friends in Latin America, where its links went "beyond commercial relations."

Having upset several South American governments by its stance on El Salvador and its decision to sell arms to Nicaragua, France is afraid of rocking the boat still more.

French companies have so far reported no adverse effects

Mystery persists as crewmen leave Chile

BY MARY HELEN SPOONER IN SANTIAGO

THE departure from Santiago on Wednesday of the three British crew members of the Sea King helicopter which came down in southern Chile last week has ended an awkward moment for Gen Augusto Pinochet's military regime as it seeks to maintain its neutrality in the Falkland Islands conflict.

The official version of how the helicopter happened - to be in Chilean territory has failed to clear up the mystery surrounding the incident.

The wrecked helicopter was discovered - some say by local fishermen, others by the military - several miles south of Punta Arenas, a strategic port facing Tierra del Fuego from the discovery of the British helicopter so deep within Chilean territory sparked speculation in the British and Argentine Press of Chilean assistance to the British forces.

These reports have been vehemently denied by Chilean officials, who had a meeting with Mr John Moore Heath, the British ambassador, and Gen Jose Montes, Argentina's envoy, to reaffirm Chile's neutrality.

According to Sr Rene Rojas, the Foreign Minister, the British Government has responded to Chile's protest by expressing regret for any problems the helicopter's presence may have caused and by giving assurances that such incidents would not recur.

The discovery of the Sea King's missing crew eight days later raised additional questions.

An official communique from the Chilean Foreign Ministry said the three men had hidden near the site of their helicopter's crash landing, and that not until their discovery by a passing military patrol did they learn they were in Chilean territory.

A prepared statement read aloud to the Press by Lieut Richard Hutchins, one of the crewmen, however, offered a slightly different version.

"Whilst on sea patrol we experienced engine failure," he said. "Due to adverse weather it was not possible to return our ship in this condition. We therefore sought refuge in the nearest neutral country."

UK complains to Moscow

MOSCOW—Britain has complained to the Soviet Government over Moscow's reaction to latest British moves in the Falklands crisis, an embassy spokesman said yesterday.

The Ambassador, Sir Curtis Keeble, called on the Foreign Ministry on Wednesday on instructions from London to "correct the recent Soviet interpretation of events in the Falklands," the spokesman said.

Embassy sources said Sir Curtis complained about a Tass news agency statement issued last Sunday, and remarks by the Soviet envoy to the United Nations, Mr Oleg Troyanovsky.

Tass fiercely condemned the landing of British forces on the disputed islands and said Britain was to blame for the entire Falklands crisis.

Speaking in a UN Security Council debate at the weekend, Mr Troyanovsky attacked the British landing and accused London of trying to turn back the clock to Victorian times.

The British Ambassador sent a letter to the head of Tass pointing out what he said were errors in the Sunday statement.

Companies boost aid fund

BRITISH companies yesterday pledged hundreds of thousands of pounds to the South Atlantic Fund set up by the Ministry of Defence for the families of victims in the Falklands fighting.

One national brewery has promised to boost the fund by several hundred thousand pounds, and three other companies have each offered donations of £50,000, according to a Ministry official.

There has also been a massive response from the public, with sacks of mail containing cash, cheques, and postal orders arriving at the fund headquarters throughout the day.

The Warwickshire Cricket Club has said it will donate the total prize money from its county final to the fund, while women's institutes and clubs have already contributed more than £2,000.

A £100,000 grant has also been approved by the Corporation of London. The money will come from corporate funds.

Donations are being sent to The South Atlantic Fund, Ministry of Defence, Archway Block South, Old Admiralty Building, London SW1 2BE.

Exocet threat demands round-the-clock radar watch

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

Until more ships equipped with the Sea Wolf anti-missile defence system can join the Task Force, the dangers from losses through the use by the Argentine air force of Exocet missiles must continue to be serious.

The Exocet, designed and built by Aerospatiale of France, is claimed to be virtually unbeatable. The fact that only one Exocet destroyed the Sheffield appears to bear out this claim.

The Exocet can be launched from either high-speed aircraft, such as Mirage or Super Etendards in the Argentine air force, or even from helicopters. It has a range of close to thirty miles, and can travel after launch at very high speed towards its target, so that the journey time from launch to impact is very brief.

Only a constant, low-level radar watch, scanning the sea surface through 360 degrees 24 hours a day, and linked to a permanently manned anti-missile defence system, is likely to detect the approach of such a missile in time to take defensive action.

The problem confronting the Task Force so far has been that its ships, such as the Type 42s like the Sheffield and Coventry, have been fitted with the Sea Dart anti-aircraft defence system, which has only a comparatively limited defence against low-flying missiles.

The Sea Dart is potent enough against low-flying enemy aircraft, although it must be stressed that in the face of numbers of aircraft whose pilots are sufficiently motivated not to care about their own survival, one or more enemy aircraft are likely to get through, even if they themselves are shot down after they have unleashed their attacks.

Some damage or even destruction of naval and other shipping from bombs or missiles is therefore almost inevitable, and should come as no surprise.

It is probable that the Sheffield equipped with the Sea Dart system, would not have been able to escape the Exocet which destroyed it, even if the missile had been detected earlier. In the sea conditions prevailing, the oncoming missile skimming just above the waves would have been virtually impossible to detect.

The Atlantic Conveyor, also destroyed by the Exocet, had no radar or armament at all, and was thus totally defenceless and an easy target, requiring little skill from the attacker.

The later Sea Wolf surface-to-air anti-aircraft and anti-missile defence system is a different matter entirely. It can track the approach of hostile missiles and can fire its own missiles in response. In tests, it has had a very high "kill rate."

So far, however, it is only in service in a limited number of ships. These include Type 22 "super frigates" of the Broadsword and Brilliant type, which are now with the Task Force. It is also being retrofitted to some of the older Leander Class frigates (which also carry Exocet missiles of their own). It is understood that at least one Leander frigate equipped with Sea Wolf, the Andromeda, is with the Task Force, although there may also now be others.

If those vessels with Sea Wolf are given the task of being "radar pickets" for the fleet, (a task the Sheffield was performing when hit), the entire scenario of defence against Exocet changes, although it must remain a powerful weapon for the Task Force to fear.

There is also the possibility of kamikaze style suicide attacks against the Task Force by large numbers of Argentine aircraft, even if only equipped with bombs. This kind of attack destroyed Antelope and Arcant and must remain a potent source of danger to the entire Task Force, especially where some ships are bottled up to the Falkland Sound supporting the landings.

In naval warfare—reaching back to the great Pacific naval battles between the U.S. and Japanese fleets in the Second World War and even to the earlier sinking of the British battleships Prince of Wales and Repulse off Singapore—it has been proved time and again that if enough determined and courageous enemy pilots are launched against ships, some will always get through, even if they are eventually destroyed in the attempt. It would only need one bit from an Exocet to cripple if not sink even a big ship, like Hermes or Invincible.

CONSOLIDATED INCOME STATEMENT			
Six months ended	Six months ended	Nine months ended	
31.3.1982	30.6.1981	30.9.1981	
R'000	R'000	R'000	
12 367	11 624	18 855	Operating income
612	712	1 694	Income from investments
3 021	2 399	3 184	Depreciation
2 562	1 464	2 339	Interest on borrowings
7 396	8 473	15 026	Income before taxation
2 388	2 563	3 807	Taxation
5 008	5 911	11 219	Group income
16.77	19.50	37.64	Earnings per ordinary share (cents)
			Dividend per ordinary share (cents)
		9	Ordinary dividend
		3	Bonus dividend
10 824	9 140	18 065	Capital commitments

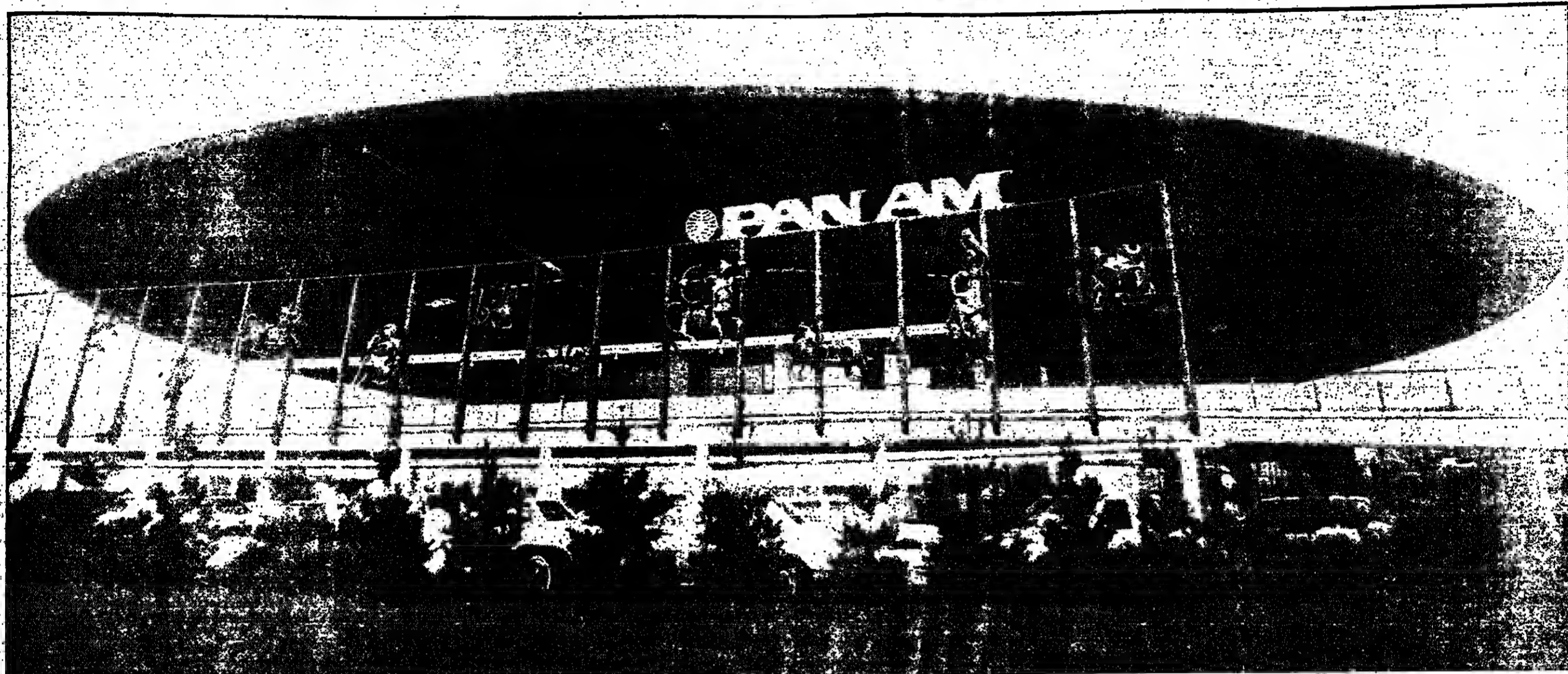
United Kingdom Transfer Secretaries:
 Charter Consolidated P.L.C.
 P.O. Box 102,
 Charter House,
 Park Street, Ashford,
 Kent TN24 8EQ



The Exocet missile, the French-manufactured weapon which destroyed HMS Sheffield and the Atlantic Conveyor. Yesterday in Singapore, Mr Michel Jobert, France's Foreign Minister, said the Falklands crisis had renewed South East Asian interest in French arms. Mr Jobert did not reply when asked if the countries he visited—Malaysia and Thailand as well as Singapore—had asked for the Exocet. "We have not made any specific arms deal during my present tour, but we wish to sell helicopters. After all we are the first exporters of helicopters in the world," he said.

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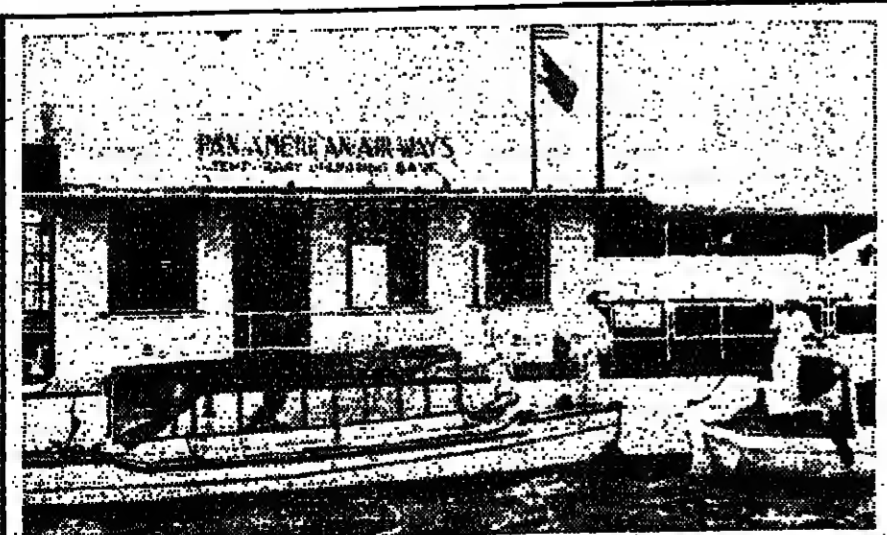
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Dallas/Fort Worth	Tulsa*
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*From June 1st

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AMERICAN NEWS

Senators block increase in aid to El Salvador

BY ANATOLE KALETSKY IN WASHINGTON

IN THE most serious setback to date for the Reagan Administration's Central American policy, the Senate foreign relations committee has voted unanimously to stop a proposed \$100m (\$55m) increase in U.S. military aid to El Salvador.

Reagan to clarify arms restraint position

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT RONALD REAGAN will in the next few days clarify the U.S. position on strategic arms restraint in the period before a new agreement can be reached with Moscow, U.S. officials said yesterday.

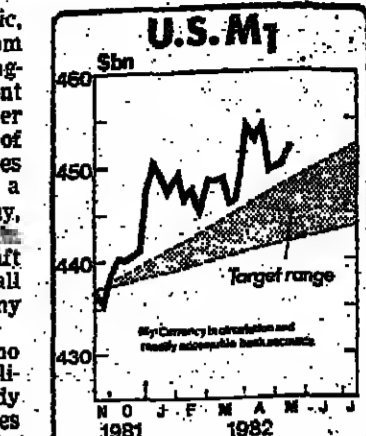
David Lascelles in New York assesses the chances of the U.S. Fed changing course Wall St alert for signs of liberal tendencies

THIS WEEK'S cut in the prime rate, the first in 10 weeks, underlines the recent modest fall in U.S. interest rates. But it came very grudgingly, and the reluctance of the big banks to move en masse as they usually do reflects uncertainty on Wall Street over what that key player, the Federal Reserve, is up to.

THE U.S. banking industry doubts that the adoption of a budget resolution by Congress will automatically produce a sharp drop in U.S. interest rates, David Lascelles in New York writes.

ing was now so deeply ingrained that the Government's credibility would only be restored by firm policies sustained over time.

tough, united front in public. Its inner counsels are far from unanimous, with opinions ranging from hard-liners who want the Fed to hang on to the bitter end to those who are wary of overdoing things.



What is certain is that the Fed has been supplying the banking system with an exceptionally large amount of reserves recently, and this has taken some of the pressure off the financial markets. But its motives are far from clear.

The more bullish view is that the Fed feels that the economy is so weak that it can afford to pump the economy up a bit without risking another bout of inflation.

The most popular reading of the Fed's intentions is that the Fed has not softened its basic anti-inflation strategy but may have made a tactical adjustment which Wall Street should be careful not to exaggerate.

One member of the board who has voted against tougher policies in the past is already arguing that the Fed's policies are effective though they may be in bringing down inflation.

rise in the jobless rate. So the sooner the economy can be coaxed out of recession, the better.

Cheer on the car lot for Happy Harry

BY CHRISTOPHER PARKES IN NEW YORK

HAPPY HARRY is cheerful again and Smiling Sam is positively beaming. Characterized in Congress this week as the man who embodies all that is nasty in the U.S. second-hand car trade, they have reason to be pleased.

Stronger productivity performance forecast for U.S.

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE RATE of improvement of U.S. productivity in the 1980s will be twice what it was in the last decade, Dr John Wilson, economics director of the Bank of America, said in London yesterday.

However, he was not so pessimistic. Interest rates would start falling from the latter part of this year, he believed, after a rise to about 15 per cent in September.

Maverick Senator may upset Colombia politics

SUNDAY'S Presidential election promises to be a closer fight than Colombia has seen for many years.

Garcia Marquez, Colombia's renowned writer, to vote for him, breaking a self-imposed boycott of the polls.

Sarita Kendall in Bogota analyses the background to Sunday's presidential elections

THE response has been lukewarm with Sr Lopez, whose presidential record attracted

According to the author of "One Hundred Years of Solitude"—the classic study of life in the country's interior—the former President will not break the military's growing influence on national life and send them back to the barracks.

Brazil to introduce 'social' tax

BY MARGUERITE TARRANT in Sao Paulo

COMPANIES operating in Brazil will soon find an involuntary "social contribution" trimming their profit margins.

IMF staff see growing intractability in world economic imbalances

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE STAFF of the International Monetary Fund perhaps understandably do not have great faith in human nature.



Sr Lopez Michelson: best chance for ceasefire

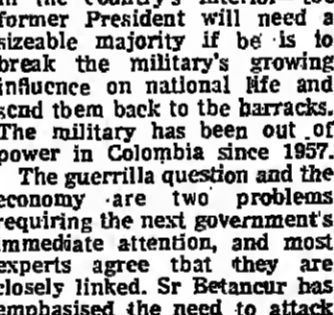
cent of the vote in March and has been able to attract young Colombians untrammelled by blind party loyalties. It has also drawn Left-wing support, reducing the vote of the socialist-communist alliance led by Sr Gerardo Molina to under 2 per cent in March.

1982 PROJECTIONS

Table with 5 columns: Country, Real GNP, Consumer prices, Industrial output, Unemployment rate. Rows for U.S., UK, France, West Germany, Japan.

rapid rise (and sharp fluctuation) of interest rates in the U.S.—which, together with a markedly stronger dollar, has had the side effect of constraining the policy options of other countries.

INTERNATIONAL PAYMENTS BALANCES (Current Account)



After this catalogue of gloom, the staff manage to find two important bright spots. The first is the progress on the anti-inflation front that is now becoming increasingly evident in several large industrial countries.

Oil Exporting Countries

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April 1982

UK NEWS

Bicycle suppliers campaign for quality

By Mark Webster

BRITAIN'S quality bicycle suppliers are out to put a spoke in the wheel of cheap imports. Under pressure in home and export markets, several British and three foreign cycle manufacturers yesterday launched an offensive against what they consider "shoddy and even dangerous" machines for sale in Britain.

Their products, which account for more than half of British sales, will now carry a triangular sign saying "Approved by the Bicycle Association of Great Britain and the Association of Cycle Traders."

Mr John Taylor, president of the Bicycle Association and managing director of Darlaston-based Comrade Bicycles, said: "In recent years we have seen a worrying growth in the sale of cheap and inferior bicycles sold through non-traditional outlets which make no attempt to provide servicing facilities or even a supply of replacement parts."

More than a third of the 1.3m cycles sold in Britain every year are imported, he said, and as many as half of those might not match up to Britain's maximum standards.

Britain's bicycle boom has soured somewhat since 1980 when it peaked at sales of nearly 1.5m. But bicycle traders are confident that the market will pick up fairly soon.

Mr Taylor believed people were paying more attention during the recession to price rather than quality and were buying the cheapest machine they could find.

Small Italian companies were the main offenders, he said. They were selling job lots of shoddy bicycles to British traders.

The need to capture a greater share of the home market has become more pressing because of the decline in British cycle manufacturers' export business in recent years.

Dr Paul King, sales and marketing director of TI Raleigh, part of Raleigh, Britain's biggest cycle maker, said the company had been hit badly by falling sales to Iran and Nigeria.

The cycle industry therefore wanted to recapture ground lost in the home market to cheap imports, he said.

The decision by the cycle industry to launch its own quality control exercise is partly in answer to the Government's slow progress in publishing part two of the British Standard for cycles.

The first part was published last November. Mr Taylor said the industry was not unduly concerned with innovations in the bike business, and that the new all-plastic cycle and the motorised cycle were unlikely to make a major impact on the British market.

The decision by motor manufacturers Ford of Europe to sell cycles through its garage outlets would also not have any significant effect on the industry, he thought, because Ford would only be selling two types of cycles.

Merger of forecast models urged

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S TWO most important independent economic forecasting bodies have been told they should merge part of their operations as a condition for receiving increased public funding.

The proposal has been put to the London Business School Centre for Economic Forecasting and the National Institute of Economic and Social Research during discussions about their next four year funding programme.

The Social Sciences Research Council, which allocates the funds, would like the two organisations to agree to the joint development of a computer model of the economy. Each has its own model, but the council thinks there is too much overlap.

The organisations, which operate in friendly rivalry, have developed distinctive views on the working of the economy in recent years. The business school takes a broadly monetarist position, while the institute has argued fiercely in its recent reviews for a "Keynesian" stimulus to be given to demand.

The research council believes however, that there is common ground between the two in the technical development of their economic models. It believes that they could use variants of the same basic model to produce independent forecasts.

If they agree to this joint venture, the council has said it will consider providing extra funds for the purpose. This could be an important inducement, particularly for the institute whose grant for the four years starting October 1983 has been cut to about two thirds of the real value of the grants it has received in recent years. It is to get £300,000 a year, 20 per cent less than it asked for.

The business school has been allocated £100,000 a year, but

in one of the existing forecasting units.

It has also announced grants to five other forecasting groups. A group at the Department of Applied Economics at Cambridge University (Professor Dick Stone and Dr William Peterson) gets £38,000 a year for two years. The strongly monetarist Liverpool University group (Professor Patrick Minford) gets £65,000 a year for four years.

Another monetarist group at the City University (Professor Michael Beenstock) gets £48,000 a year for two years. The London School of Economics (Dr James Davidson) gets a total of £56,000 over three years.

The "neo-Keynesian" policy group at Cambridge University Department of Applied Economics (Professor Wynne Godley and Mr Francis Cripps) is to get £40,000 a year for four years. This is substantially less than asked for.

Both organisations have said they will consider the possibilities of what the research council privately describes as "pretty substantial co-operation."

Detailed study of the idea, however, has been deferred until the autumn, when Mr Andrew Britton moves from the Treasury to take over as director of the institute on the retirement of Mr David Worwick.

Professor Alan Budd, director of the business school's forecasting centre, said: "Our reaction is to say 'by all means let us explore the possibilities'."

The research council wants to set up a central economic forecasting bureau which would encourage co-operation and the sharing of ideas in different centres. It envisages this might be a small unit, possibly based

Merchant navy defence role questioned

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE UK shipping industry expects the Government to mount an urgent review of defence policy as it affects the merchant fleet, once the Falklands hostilities are over.

More than 40 merchant ships have so far been requisitioned or chartered to accompany the Task Force. One of them, the Atlantic Conveyor container ship, this week became the first merchant ship casualty in the fighting.

Mr Malise Nicolson, the new president of the General Council of British Shipping, said yesterday that the present crisis "confirms the fears we have been expressing to the Govern-

ment for many years about the decline in our tonnage and the changes in the make-up of our fleet."

Britain's merchant fleet has been shrinking since 1975. The industry, led by the council, has been pressing for a 40 per cent investment allowance, beyond the existing depreciation provisions.

Mr Nicolson told the annual meeting of the council that he hoped the Government would "do something positive" to demonstrate its reliance on UK merchant ships and seamen for support of the armed forces, as well as for civilian supplies.

When the present troubles are over, we need to sit down with the Government again and review defence policy as it affects the merchant navy," he added.

Council officials met Mr Peter Blaker, Minister of State for the Armed Forces, at the end of last month. He agreed to take the matter up again once the Falklands action was over. The meeting did not arise out of the hostilities, and had been postponed in the early part of the month.

Mr Nicolson, chairman of Booker Line and a director of the Booker McConnell parent company, said: "It is numbers and types of ships, and their

suitability for supporting the armed forces at a time of crisis, that count."

The Falklands crisis had shown that Britain was short of long-range potential troopships for distant conflicts. "One can certainly conceive of other situations where over where aircraft can be denied landing facilities and where the transport of troops by sea becomes essential."

One idea he thought the Government could consider would be to fit defence-related equipment to suitable ships of the merchant fleet such as special decks for aircraft.

Director disqualified for a year

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A COMPANY director who admitted 293 defaults in filing accounts and annual returns for 13 companies was yesterday disqualified for a year from having anything to do with the management of any company.

The order against Mr Roger Ansell, of Sutton Coldfield, was made by a High Court judge on an application by the Secretary of State for Trade under section 28 of the 1976 Companies Act, which provides for a maximum disqualification of five years.

Mr Justice Nourse said Mr Ansell was the sole director of eight of the companies, in one of which, Stonewood Securities,

there was a 20 per cent public shareholding.

He had admitted that, there had been 293 defaults in relation to accounts and annual returns since 1976. He had been convicted by magistrates in respect of 59 of the defaults and fined a total of £585.

The judge said the High Court's power to disqualify had been introduced to add a more effective sanction to magistrate's power to impose fines.

Mr Ansell had said he had brought in new accountants in 1978 and instructed them to ensure that the companies carried out their statutory obliga-

tions. Thereafter, he had mistakenly believed that that was being done.

He had also, incorrectly believed that it had not been necessary to deliver accounts for years in which some of the companies had not traded.

The judge said it was a serious case of extensive defaults. Mr Ansell's plea that he had left matters to the accountants might be an explanation, but could not excuse him.

However, his conduct had not been wilful or deliberate and he had since done his best and remedied most of the defaults.

The order will take effect in 28 days.

Ministry to fight disclosure of papers

BY OUR LAW COURTS CORRESPONDENT

THE DEPARTMENT OF Trade is to appeal against a High Court order to produce for inspection by a judge 100 ministerial working papers dealing with the formulation of government policy on the British Airports Authority between 1977 and 1980.

It is the most extensive and far-reaching order for the disclosure of top level government documents ever made by the English courts.

The department argues that the disclosure would be contrary to the public interest.

Earlier this month Mr Justice Bingham decided in the Com-

mercial Court that the documents had to be produced, if justice were to be done in a pending claim by 20 international airlines against the authority and the Trade Secretary over increased landing charges at Heathrow Airport.

He said he would inspect the documents privately to satisfy himself that they would, as he had provisionally concluded, add to the evidence already put in by the authority and the department.

Once satisfied, he would order their production as evidence in the action, due to

The judge said that the intentions of successive trade secretaries, and the manner in which they formulated policy, lay at the very heart of the airlines' attack, which was a carefully prepared and serious criticism of such policy.

He acknowledged that production of "documents as close as these to the inner processes of government" had never before been ordered by the English courts. But there was nothing in the documents, he said, that would embarrass the Government in its foreign relations or injure any national interest.

Boyd-Carpenter accepts seat on ACC board

By John Moore, City Correspondent

LORD BOYD-CARPENTER, chairman of Rugby Football Union, has accepted an invitation from Australian businessman Mr Robert Holmes a Court to join the board of Associated Communications Corporation, the entertainment group, built up by Lord Grade.

The move follows the takeover of ACC by business interests of Mr Holmes a Court and a subsequent board reshuffle which led to Lord Grade being ejected from the boardroom.

Mr Holmes a Court's master company, the Bell Group of Western Australia, last year revealed that it had built up a stake of 5 per cent in Rugby Football Union.

The invitation of Lord Boyd-Carpenter to join the ACC board marks a new development in the relationship between the two companies.

ACC said yesterday its discussions with the Independent Broadcasting Authority over the future of its 51 per cent stake in Central Independent Television were nearing completion.

The voting power of the shares is to pass to a trust, run by a trustee company. Thereafter ACC will be required to reduce its stake to between 19 per cent and 29 per cent.

CBI demands measures to redress trade imbalance with Japan

BY JAMES McDONALD

THE Confederation of British Industry is to seek an early meeting with Lord Cockfield, the Trade Secretary, to present a package of detailed measures aimed at redressing the "serious and growing imbalance of trade between Britain and Japan."

The Council of the CBI, calling for a 20 to 25 per cent "uplift" to the current yen rate, agreed at its monthly meeting in London that Japanese measures to open up their home market to British and other European exports and to blunt the harmful effects of the "laser-beam" approach to marketing (attack on narrow

market sectors) still falls well short of what is needed to make the trading relationship acceptable.

To allow British industry greater access to the Japanese market the CBI says the Government should press Japan to take a number of steps. These would include:

- Abolition of all quotas on imports within two years;
- Implementation on January 1, 1983, in full of the tariff cuts agreed in the Tokyo Round and unilaterally for Japan to go beyond the Tokyo Round concessions to reduce the peaks in Japan's tariff to EEC levels;
- Creation of an import market

development regime under which tax would be deferred for five years on 20 per cent of profits earned from imports.

Japan should also instruct all public, local government and para-statal purchasing agencies to give full and fair consideration to foreign bids and to publish the number of foreign bids received and their success rate.

Foreign suppliers should be allowed 60 days—instead of the 30 days stipulated in the General Agreement on Tariffs and Trade Government Procurement Code—to respond to public calls for tender to allow for the "obstacles caused by

the use of the Japanese language."

The CBI, noting that the UK and EEC trade deficits with Japan continue to mount, stressed that further concessions by Tokyo were essential and that it would be necessary for the Government and the European Community to exert the maximum pressure to achieve them.

The CBI strategy calls for early detection and containment of disruptive Japanese imports to allow the UK sectors affected time to build their competitiveness; pressure on Japan to adopt a more expansionary domestic economic policy to reduce the

drive for export-led growth and open up more opportunities for Britain in the Japanese market; and sustained efforts to chip away at Japan's barriers to imports and foreign investment.

The strategy also calls for encouragement of Japanese investment in the UK.

There should be support by the Government for existing voluntary restraint agreements as long as needed for industries to improve their business performance, says the CBI, and "where voluntary restraint does not achieve the desired result, other measures may be necessary."

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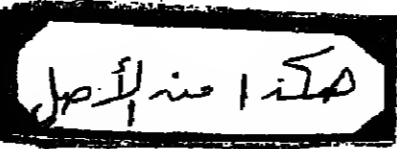
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Plastics makers see signs of upturn

By Ray Daffer

SIGNS of an improvement in the economy have emerged in a survey of the plastics industry published yesterday.

The industry, with an annual turnover of about £8bn, reports an increase in activity and greater confidence in future market trends.

The majority of companies surveyed by the British Plastics Federation predict that the level of their orders will rise during the next six months.

Mr Ron Lewis, the federation's director, said that there was a "surprising" similarity of views in the industry, which includes material suppliers and processors.

Sales turnover had already picked up for most material suppliers and machinery manufacturers during the past 12 months. Of the processors, about 96 per cent said that they had had an increase in volume sales.

The federation believes that the improvement in confidence in the industry can be attributed to three basic reasons:

- Greater confidence about the economy in general.
- An upturn in trade being experienced by many enterprises.
- Hope of a turning point, after a protracted period of steep decline in the industry, the only possible direction in which sales can go is upward.

The report is less optimistic about investment prospects. Almost two-thirds of the processors surveyed were unable to initiate capital expenditure in the last 12 months because of their profitability and liquidity problems.

Mr David Russell, chairman of the federation's economics committee, said that while volumes and profitability would "undoubtedly" be better in the near future, there remained a doubt as to whether profits would be sufficient to generate new investment and to create new jobs.

It was doubtful whether the performance of the industry in the late 1970s would be repeated in the "foreseeable future."

On investment the report said that it was "hardly surprising" that 63 per cent of processors had not been able to make substantial capital expenditure in the past 12 months.

Chancellor speaks up for Neddy and its committees

By JOHN ELLIOTT, INDUSTRIAL EDITOR

SIR GEOFFREY HOWE, the Chancellor of the Exchequer, has delivered an outspoken defence of the National Economic Development Council and its industrial tripartite committees.

Speaking at a time when Neddy has been under fire from some ministers, Sir Geoffrey said the staff of the National Economic Development Office were "admirable."

Mr Geoffrey Chandler, director general was "dedicated and determined — and occasionally bruised."

Sir Geoffrey's remarks were especially significant because of various problems surrounding the council and the office. Some TUC leaders want in pull out of the council as part of their protest against the Government's labour law proposals, and others

are disillusioned with the work of the tripartite industrial committee.

A paper on industrial policy produced by the office for last month's council meeting was criticised by Mr Patrick Jenkin, Industry Secretary, who said that dealing with its proposals was like "wrestling with cotton wool."

He repeated his criticisms at the annual dinner of the Confederation of British Industry on Monday.

Sir Geoffrey himself was reported after last month's meeting to have said that Neddy was weak on implementation and that it tended to "indulge in slogan swapping."

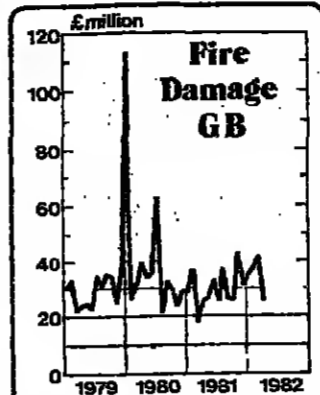
Sir Geoffrey, however, appeared to be trying to mend fences when he gave his annual speech at 11 Downing Street for council members and the chair-

Sharp fall in costs of fire damage

By Eric Short

FIRE DAMAGE costs in April fell £16m from the high levels of previous months to £25.1m according to figures issued yesterday by the British Insurance Association.

This fall comes after four successive months of steadily rising damage costs, although last month's figure was only



marginally below that of April last year. Damage costs in the first four months of this year, at £138.6m, are nearly 30 per cent more than in the corresponding period last year.

Last month's drop was caused by a decline in the number and intensity of major fires; only two cost more than £1m of damage. The largest fire occurred in an industrial complex in Hyde, Cheshire, a converted mill, where damage was £1.8m.

'Faster via London airports' claim

By MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE British Airports Authority is mounting a campaign to combat claims by European airports—especially Schiphol Airport, Amsterdam—that connections to long-distance international destinations are frequently quicker and more convenient than at Heathrow and Gatwick.

Mr John Mulken, managing director of the BAA, says in a leaflet widely circulated to businessmen, that the authority is determined to maintain London's position at the "crossroads of world aviation."

He says 37m passengers last year went via London, about 7.5m came to London merely to change aircraft.

"Heathrow is Britain's main gateway to the rest of the world. It is also Europe's premier airport, and with a throughput in 1981 of over 26m passengers, it is the world's busiest outside the U.S.," he says.

"In absolute terms it is the world's number one airport for international passengers. Considering the value of the cargo that passes through it, Heath-

TV licence tokens to be on Beecham packaging

By James McDonald

THE BEECHAM GROUP has achieved an advertising coup by recruiting the aid of the Post Office and up to 11m Girl Guides, Brownies and Scouts in a £2m national promotion of its lottery and house-hold products.

A total of about 22,000 Crown and sub-post offices throughout Britain are to break new ground by displaying posters to advertise the products linked to a scheme to sell TV licence tokens. Beecham Toilettes will offer, on the packs of six products, tokens to be exchanged for TV licence saving stamps.

Beecham will be issuing more than 40m tokens, each worth 5p, on 10m packets of toilet-pastes, hairsprays, shampoos and household cleaning materials. Each pack is to carry two, three or four tokens.

Every 20 tokens mailed to a redemption centre by March 1984 will be exchanged for two 50p TV licence stamps, which can be put towards the cost of a TV licence. The tokens would meet the cost of more than 45,000 colour licences at £46 or 135,000 black and white licences at £15.

The Girl Guides' Association and the Scout Association have alerted their 11m members to the scheme's scope to provide free TV licences for the needy. More than 60,000 group collection charts, on which tokens can be stuck, are being issued to guide and scout units. Age Concern is encouraging its 1,300 local groups to establish similar schemes for the benefit of senior citizens.

The Post Office said yesterday that this was the first time it had co-operated on such a large scale with a commercial organisation. It would be "delighted" to consider similar schemes from other companies. "We hope this scheme will encourage more TV licence-holders to save towards the cost of their licence with TV licence saving stamps."

The Post Office will also offer a Freepost service for scout and guide units, who will be provided by Beecham with collecting envelopes to play at retail outlets for shoppers' unwanted tokens.

Sotheby's sells off subsidiary for £1

By JAMES McDONALD

SOTHEBY'S yesterday sold James Bourlet Frames, its loss-making picture framers subsidiary, to the company's 14 craft workers for just £1.

All 14 workers have acquired a share in the new company, Bourlet Frames, which has been set up as successor of James Bourlet (Frames) as a Job Ownership Company—in effect a worker-owned co-operative registered under the Companies Act.

James Bourlet (Frames) began as a specialist family

company in the first half of the last century and for a long time has been one of the leading picture framers in the UK.

It was acquired by Sotheby's in the early 1970s but has not been profitable in recent years. Last year Sotheby's decided it could no longer afford the losses and the board offered the business to the workers for £1 on condition that they established themselves as a co-operative and acquired the finance to keep going.

This has been achieved with the help of a £40,000 Government-backed Small Business Loan from the National Westminster Bank and with guidance from Job Ownership Limited and professional legal advisors.

For its £1, the new company has acquired the name and goodwill of the former company and net assets with a book value of about £80,000. The company has a showroom in Fulham Road, London, and a rented workshop in Islington.

City police chief calls for tightening of fraud laws

By LISA WOOD

MORE EFFECTIVE control of companies handling investors' funds was called for by Mr Peter Marshall, City of London Police Commissioner, in his annual report published yesterday.

About 90 substantial fraud cases involving about £54m were being investigated by the force's fraud squad at the end of the year, he reported.

He said events showed that a problem in the background for some time was now fully to the fore.

It stemmed from the inadequacy of existing law in protecting depositors and in controlling activities of companies handling funds on behalf of the investing public.

He said: "The Acts have sought to control by legislation and their failure arises from inadequacies in the procedures for vetting applicants, and from the lack of requirement for any controlling authority to exercise

Court reform body announced

A NEW committee to suggest ways to shorten High Court cases, reduce delays and cut costs was announced yesterday by Lord Lane, the Lord Chief Justice.

The Supreme Court Procedure Committee, under the chairmanship of Lord Justice Kerr, formerly chairman of the Law Commission, will include judges, barristers and solicitors.

The SCPC is to consider and recommend reforms in practice and procedure for saving time and costs. It will also promote and co-ordinate the work of specialist sub-committees.

Lloyds buys second estate agency

By PAUL TAYLOR

LLOYDS BANK has bought an estate agency in the South-East of England, its second in two weeks.

The purchase, announced yesterday, of Geering and Colyer, a Kent and Sussex-based agency with 10 branches, follows the bank's acquisition of the six-office Norfolk-based group Charles Hawkins.

Lloyds is the first UK retail bank to move into the High Street home sale and purchase business and has earmarked

£5m to be spent over the next 12 to 18 months on the purchase of estate agencies through its newly established subsidiary, Black Horse Agencies.

The bank aims to become "the biggest house agency in Europe" over the next few years and has set a target of buying up about 100 offices in the UK starting in the South-East of England.

The move is a further development of retail banks' drive

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More choices: the 900 GLs 3-door costs £7325; choosing another door and a boot will cost you £7425; plump for the 5-door and the price-tag will read £7845. The Saab 900 range starts at £6895 and the 99 range at £5950. Prices correct at time of going to press and include Car Tax and VAT. Road Fund Licence, Delivery Charges and number plates are extra. Saab (Great Britain) Limited, Saab House, Fieldhouse Lane, Marlow, Buckinghamshire SL7 1LY. Tel: (06284) 6977. After sales Tel: (0604) 43643. Exports Tel: 01-469 0990.

Telephonist censure executive over meal break deal

By David Goodhart, Labour Staff

DELEGATES at the Bournemouth conference of the Union of Communication Workers, which represents 40,000 telephonists and telegraphists, passed an unprecedented motion of no confidence in its executive over a meal break agreement with British Telecom.

The entire executive of the British Telecom section of the union resigned temporarily but after a personal appeal from Mr Tom Jackson, union general secretary, delegates voted overwhelmingly to restrict their censure to the meal break issue.

A number of delegates representing BT telephonists were also angry about their widening differential with the lowest grade labourer.

The basic for a telephonist is £87 and for a labourer £101, but this year's 19 per cent pay claim for telephonists will attempt to bridge the gap.

The postal section of conference, representing 150,000 postal workers, expressed more anxiety over differentials with their postal supervisors.

The conference agreed to accept an executive report on new technology only on condition that differentials were dealt with first.

The conference also threatened industrial action if the Post Office attempted to make retirement at 60 compulsory.

In closed session, conference discussed a confidential report on the response to the new private parcel service launched by Thompson National Transport, which begins on June 21.

A joint working group has been set up with the Post Office to counter what the union sees as a threat to 17,000 jobs in the Royal Mail parcel service.

The report, believed to have been backed by conference, urges that the efficiency drive be continued, having turned a loss on parcels of £6.75m in 1980 into a profit of £7m last year.

The postal conference also agreed to press for the full adult rate to be paid at age 18.

The BT conference passed a motion opposing the use of microsches on health grounds and called for a special report on the new Store Programme Control/VDU international switchboard.

Union votes £800,000 for Labour

By JOHN LLOYD, LABOUR EDITOR

THE General and Municipal Workers Union yesterday considered the Labour Party's cash crisis when its conference voted a rule change allowing the union to transfer £800,000 from its general to its political fund. The money will help to fund party organisation and lay the foundations of a £5m election kitty.

In a wide-ranging debate on the Labour Party at its annual conference in Eastbourne—in which disquiet over the party's weakened position and the unions' loss of influence within it dominated—the union endorsed an executive report calling for an end to further constitutional wrangles and un-

necessary elections for the leadership and deputy leadership.

The document says that "the GMWU should seek to use its influence to minimise the internal conflicts as far as this is consistent with the GMWU's own policies."

The union's influence within the party is already high, with Mr David Basnett, its general secretary, being chairman of the Trade Unions for Labour Victory organisation. That influence will be strengthened by the decision to inject substantial funds into the party.

Mr Basnett told the conference that the Labour Party would have the prospect of power to be an effective opposition, and the reality of power to protect workers' interests.

"That determines the sort of party we want. Not an elite sectarian debating society. Not a small group dedicated only to agitation and extra-Parliamentary activity. And not a party intent on doctrinal purity or constitutional perfection to the exclusion of the pursuit of power, but a broad-based party seeking power, and that's the party we'll work for."

The party, however, had been hit by the long term decline in the involvement of trade unionists in the party at local level.

Mr Basnett said that the party "should get rid of hit lists which threaten dedicated MPs and which trunt which threaten—and I emphasise threaten—dedicated party activists. We must avoid such unnecessary conflicts. We need a unified party."

In debate, a number of speakers underscored the point that the party had lost touch with trade unionists, particularly manual workers.

A motion to affiliate the GMWU to the Campaign for Nuclear Disarmament was defeated on a show of hands—against the recent trend within the Labour movement.

Building workers reject pay policy move

By IVO DAWNEY, LABOUR STAFF

THE UNION of Construction, Allied Trades and Technicians (Ucatt) yesterday firmly rejected any move towards the re-introduction of an incomes policy by any future government, whether Conservative or Labour.

A composite resolution, agreed unanimously by the union's biennial conference at Plymouth gave a clear message to the Labour Party that it would not accept any planning of incomes either "imposed or informal."

The vote came as a significant blow to the union's executive council, which had urged support for a qualifying amendment allowing incomes policy to be introduced as part of a programme to redistribute "wealth and power" in favour of working people.

Supporting the amendment, Mr Danny Crawford, an executive member, warned that many sectors of society—pensioners, the young, the unemployed, and the disabled—were unable to benefit from free collective bargaining.

After the debate, Mr Les Wood, Ucatt's general secretary, said that the vote had made clear that the union's executive would be unable to reach any agreement with future governments on wages.

The decision comes against a background of continuing talks on economic policy by the TUC Labour Party Liaison Committee. These include discussions on a "national economic assessment" to be conducted annually by both Labour and the unions, and in which wages are expected to be debated in conjunction with a broad national industrial development programme.

"I appeal very, very strongly to every delegate here to support the amendment," he said. "You are not supporting incomes policy, you are supporting a thought-out socialist approach to the problem."

Despite this appeal, the conference voted by an overwhelming majority to reject the amendment and back total opposition to any deal on incomes.

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They also involve job protection clauses specifying no compulsory redundancies, use of re-training and re-deployment and their refusal to accept the downgrading of jobs.

There will also be a set of measures on health and safety issues. FLET is already in the process of producing a series of nine handbooks on safety matters, including the use of visual display terminals, photocopyers and the ergonomics relating to staff operating cash registers.

Draft deal on new technology

By Nick Garnett, Northern Correspondent

THE BASIC principles of a draft international technology agreement were drawn up in Manchester yesterday by a working group within FLET, the international federation of commercial and professional unions with affiliates in 80 countries.

The draft will be finalised within the next few months before it is presented to the FLET executive. It will include a number of specific clauses on the introduction of new equipment.

The basic principles cover a procedure for disclosure of information by companies on potential new technology decisions; training for union representatives on new technology and use by trade unions of outside experts paid by employers.

They also involve job protection clauses specifying no compulsory redundancies, use of re-training and re-deployment and their refusal to accept the downgrading of jobs.

There will also be a set of measures on health and safety issues. FLET is already in the process of producing a series of nine handbooks on safety matters, including the use of visual display terminals, photocopyers and the ergonomics relating to staff operating cash registers.

Aims of Industry warns of Tebbit Bill 'loophole'

By BRIAN GROOM, LABOUR STAFF

AIMS OF INDUSTRY, the advocate for private enterprise, claims to have found a loophole in the Employment Bill which would allow Labour-controlled local councils to "blackmail" companies into building up trade union membership.

The Bill, which is expected to become law by late summer, outlaws the practice of awarding contracts exclusively to companies which guarantee to use only union labour.

Aims says council would still be able to employ a limited variant of this, by insisting that contractors sign "recognition and procedural agreements" with unions. It would not guarantee a closed shop, but would strengthen unions and in effect ensure union-negotiated pay and conditions.

The Government must close this loophole during the Bill's progress through the House of Lords, said Mr Michael Ivens, director of Aims. It has been drawn to the attention of Mr David Waddington, Under-Secretary for Employment, and his department is considering it.

Aims quotes a letter to contractors from East Kilbride District Council in Scotland, stating that from October 1

they will have to have signed a recognition and procedural agreement with appropriate unions if they want to remain on the council's approved list. Aims believes other councils are doing the same.

Mr Colin Robb, leader of East Kilbride's Labour group, said the move had nothing to do with the Employment Bill. The council did not insist on union-only labour, and the clause was merely a reinforcing of its present requirement that contractors recognise unions and pay union rates.

Mr Ivens said, however, it was "another version of the abuse whereby councils have been blacklisting contractors' men who do not hold a union card."

He added: "It is all a part of a campaign by Labour-controlled councils to blackmail companies into building up union membership. Controlling this abuse was one of the Bill's main objectives."

The 30,000-strong Liverpool Corporation workforce are being urged by shop stewards from 11 town hall trade unions to support a day of action on Monday, July 14 by staging a one-day strike against the possible privatisation.

Equality at work plea by Murray

WOMEN SHOULD not be relegated to the bottom of the labour market, Mr Len Murray, the TUC general secretary, told an international conference yesterday.

Speaking to the women workers' group of the International Chemical Unions, Mr Murray said that men had to "face the fact that women are increasingly throwing off their subordinate economic role and want equality—and that they want it fast."

Women were losing their jobs because they worked in many of the areas hardest hit by recession—such as textiles and clothing industries, he added.

Office jobs would be cut back through advances in computerisation.

"It needs trade union pressure on national governments to adopt policies of economic growth and social justice," Mr Murray said.

Fewer married women and older men seek jobs

By OUR LABOUR STAFF

THE NUMBER of married women and older men in work or seeking work continued to fall, according to preliminary results of the 1981 Labour Force Survey.

The "economic activity rate" for married women rose sharply until 1977 then gently declined in the next two years. This continued in 1981. The rate for older men has decreased appreciably.

The proportion of men who are economically active is 77.3 per cent, compared with 47.2 per cent for women, excluding males and females aged under 16.

The survey is conducted every two years in all countries of the European Economic Community. Its results came from interviews in about 80,000 households in Great Britain in April-June 1981.

Just under half the population of all ages is in work or seeking work, showing little change from 1979. The proportion of these unemployed, however, has risen.

Unemployed married women use the employment services as their main method to seek work. In 1979 their main method had been answering advertisements.

The figures are in the Employment Department's Gazette. The Gazette carries an article saying the Government's Job Release Scheme has achieved an 85 per cent success rate in ultimately drawing people from the unemployment register.

The scheme is designed to create vacancies for registered unemployed people by encouraging older workers to leave their jobs through early retirement.

The cumulative total of working-days lost through strikes in the first four months of the year was lower than the corresponding period last year, according to the Employment Department.

The provisional estimate of 253,000 days lost in April was well below the monthly average of 487,000 for the first quarter of the year. Employment Gazette, May 22, 50, £2.25.

Craft workers accept 7.3%

By Our Labour Staff

NEGOTIATORS for 8,000 craft workers in the chemical industry have accepted a 7.3 per cent pay offer, raising the national basic rate by 16p an hour to 235p (London 236p) backdated to the settlement date of May 8.

The deal covers about 158 of the Chemical Industries Association's 300-plus member companies. Similar increases have already been accepted by more than 35,000 process workers.

London faces tube cuts

By Our Labour Correspondent

LONDON TRANSPORT is to risk a clash with rail unions by implementing cuts in the frequency of peak-hour Underground services from June 21.

The cuts were originally planned for March 21, the day fares doubled following the Law Lords' ruling against cheap fares, but they were postponed after union representations.

The National Union of Railwaymen threatened to thwart their implementation, possibly by refusing to co-operate with new schedules.

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TECHNOLOGY

EDITED BY ALAN CANE

Geoffrey Charlsh on a company set on survival Hermes goes for speed

SHAPING UP for a new future under the Olivetti corporate umbrella, Hermes Precisa International, the Swiss small business machine company, continues on a programme of new product development, having recently announced a top end, add-on disc typewriter and a new printing head design able to give near "letter quality" at 100 characters/sec.

Until last summer HPI had been struggling to remain profitable in an office equipment market dominated by vicious discounting at the typewriter end while, at the top end of the market the company was having funding difficulties in moving into a sufficiently broad range of products.

In addition, it had spent several million pounds in developing a golf-ball based machine at a time when that technology was beginning to suffer at the hands of the daisy wheel and other new systems.

Thus, although sales increased from SwFr 273m to SwFr 335m in 1980-81, profits of SwFr 2.5m plummeted to a loss of SwFr 0.85m in the same period.

So HPI has had to become leaner (the head-count has dropped by about 23 per cent to 3,800 since 1977) and new, potentially profitable products have been intensely researched.

One of them, an 18 needle matrix print head, could well turn out to be a winner. In its most sophisticated form it can be switched electro-mechanically from low to high definition and forms the basis of a versatile new printer, the 612. The head will also probably be sold by HPI on an OEM basis to other printer manufacturers.

The 18 wires or needles that impact the paper are arranged in two adjacent staggered columns of nine for high defini-

tion printing—the second column's impression fills in the small spaces left by the first. For typewriter sized characters, the result is a nearly continuous line structure with almost no evidence of "dots".

Alternatively, by aligning the columns and actuating them one at a time, faster printing is possible and the dot structure is more evident.

With all 18 needles working in the staggered formation, the quality is barely less than that of a normal single impression typewriter character.

The necessary 18 solenoids are arranged in a circle to give an outside diameter for the whole filled polyester head of only 70 mm (about three inches). The weight, at just over 0.25 kg, allows the head to be moved rapidly across the paper without acceleration or braking problems at the two ends.

The needles move axially by only 0.5 mm, but after about 50 m characters their ends will have worn non-uniformly (some needles move more often than others) and a simple maintenance operation restores the tips by re-grinding. They move in two columns of virtually wear-less ruby bearings which can be arranged in three possible ways.

In the HR 60A the two columns are fixed with bores aligned in the direction of a line of type. This allows data quality printing at 400 characters per second (cps). The 60B on the other hand, has the holes fixed but staggered giving quality reproduction at 100 cps, while on the 60C one of the columns can be moved by 0.176 mm to give either mode.

The new 612 printer, using the Type 60 head, was shown at Hannover and the first 30 assessment models have been snapped up. Full production starts in August and the end-

user price is understood to be in the region of £2,500.

It is the kind of product which, although it exhibits traditional Swiss precision skills, has brought about profound changes at the Yverdon plant near Lausanne. The number of moving parts has dropped to about 50 compared with the earlier conventional typewriters where the part count was over 3,000.

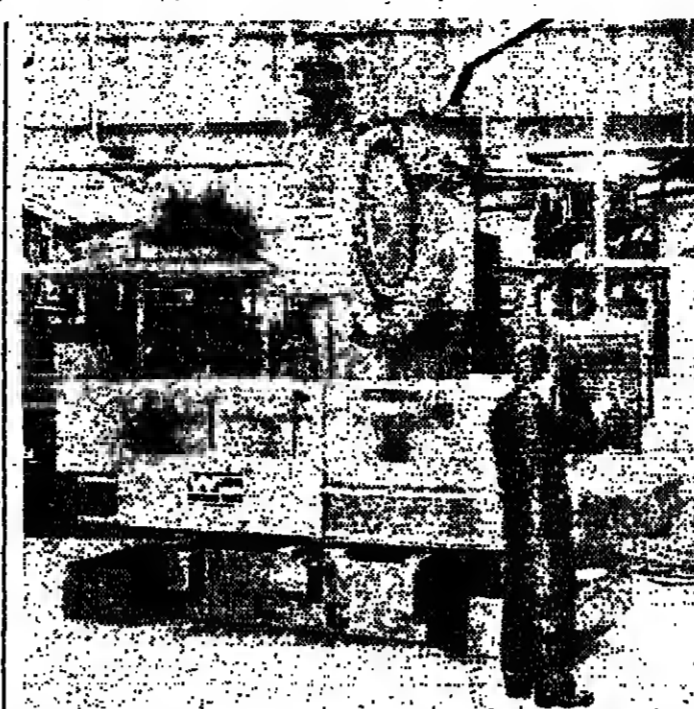
In this little town at the foot of the Jura mountains, already smarting as a result of the closure of the Bolex plant, new abilities have had to be learned in microelectronics and software, just as they have in the Swiss watch industry, to replace the older mechanical skills.

Today, a typical product is the recently announced top end electronic typewriter, the Toptronic 51. It offers daisy wheel printing at 20 cps, a working memory of 7300 characters (about four A4 pages) and a visual display of 20 characters, so that the typist can monitor and correct what is entered before it is printed.

To simplify the entry of text, the working memory has 11 variable length segments, 10 for storage and immediate recall of frequently used phrases and one for text. The "constant" phrases can be automatically merged with the text.

There are two particularly convenient features. One is the cassette-housed daisy wheel which makes font substitution very easy and clean, and the other is a plug-in micro-disk store. About three or four A4 pages can be held on each of these 2 1/2 inch discs, allowing a large number of documents to be kept conveniently in a small space.

In due course, it can be expected that, under the aegis of Olivetti, rationalisation of both products and markets will gradually take place. For the moment though, HPI appears to be essentially going its own way.



CNC machine for under £100,000

ABOUT two years ago Wadkin Machine Tools of Leicester introduced the V5-10. It was then described as the first of a new generation of vertical CNC machining centres.

Wadkin, a bit proud to be one of the few British machine tool manufacturers to lead the CNC way, has now introduced the V5-15.

The company says its market research showed that there was a demand for a machine in the medium power range, capable of handling workpieces up to 2,500 kg.

The specification for the new model is written around the 18kw drive employed on the V5-10, but has a worktable area increased by about 50 per cent to 155 x 850 mm.

Adaptation of standard components from the V-10 design has enabled Wadkin to launch the new machine at £97,500, the company says.

It takes pride in saying that at this price a British-built machine is competitive against any comparable imports.

The three axes are driven by 63 mm diameter pre-loaded recirculating ball screws direct coupled to a DC motor. The X axis is 1,500 mm, Y 800 mm, and the vertical traverse Z axis 675 mm.

The hydraulically counter-balanced bed, which is clamped

automatically for milling operations, carries a hardened and ground nickel-chrome steel spindle mounted in angular contact bearings.

The spindle is driven by a dc motor through a two-speed gearbox with integral lubrication, and provides a speed range from 30 to 3,800 rev/min with gear changeover at 950 rev/min.

It develops constant torque (63 Mkhp) at speeds below 285 rev/min and constant power (18kw) above 285 rev/min.

The 30-station tool changer is based on a vertical carousel with bi-directional random selection. It accepts double flange or ANSI Vee tooling with 45 ISO tapers, up to a maximum diameter of 150 mm when adjacent stations are unused.

Tool changing is effected by a single arm mechanism operating through a single 270 degree movement from tool pocket to spindle nose. A tool is mechanically held in transit for maximum operator safety. The spindle is orientated electro-mechanically.

CNC control is provided by a GE 1050MC/CIM soft wired control system built into the main column for maximum compactness and creation of a one-piece machine.

More from Wadkin, 0533 769151.

Wang launches personal micro

WANG, THE U.S. electronics company which grew spectacularly through its early mastery of word processing, has joined Xerox, IBM and DEC in the battle to put a personal computer on every executive's desk.

Yesterday it announced its "Professional Computer" for the businessman. Selling at under £2,000 in basic form, the machine uses a 16-bit processor and can be fitted with a five megabyte Winchester hard disk (16-bit microprocessors are state of the art in microcomputing these days; their speed and power is thought to compensate for the paucity of ready-made software available for these machines.)

The software for the Wang includes the Microsoft MS-DOS operating system as standard with a CP/M 80 emulator. The machine thus avoids the trap of running only one of the two major micro operating systems and so cutting itself off from the packaged software available for these systems.

The machine can be used as a workstation on any Wang 2200, Virtual Storage, Office Information System or Alliance System.

Almost every electronics and computing major now has a personal system offering in what has become a very crowded market. Wang is on 01-560 4151.

Hasselblad images from space

Hasselblad, the Swedish camera maker, has developed an image analysis system which it believes will help companies make sense of pictures received from satellites.

A prototype of the Osiris analysis system has been installed at the Swedish Space Corporation satellite receiving station. The corporation picks up signals transmitted by the U.S. Landsat satellites and then processes the information for various customers throughout the world.

The work on Osiris has been carried out as a joint project between Sweden's Royal Institute of Technology, the Aerospace Division of Saab-Scania for the Swedish Space Corporation, and Hasselblad.

The corporation uses Osiris because it is a fast way of analysing specific areas of the photographs they receive, without having to resort to their large computer system which turns each photograph into many millions of computer digits.

Each photographic image contains a huge amount of information which can take a long time to process. With Osiris, the operator is able to study the photograph visually and then pick out portions of the image for detailed computer analysis.

As it is selective, Osiris is quicker and can be used in a wide range of aerial surveying applications from mineral and oceanographic studies, environmental pollution to crop growth. In addition it can be used to interpret images from medical body scanners or industrial applications including metallurgy.

Valves

LEYBOLD-HERAEUS (01-947 9744) has introduced a range of vacuum valves, seal-off fittings and vacuum locks. The seal-off fittings are secured against inadvertent opening and are bakeable up to 120°C.

Guides to software products

HERO, VSAM-ASSIST, Micaps and The Shopkeeper are all software products (dedicated computer programs). If you want to know what they do, there is now a choice of software directories to help you.

First, the International Directory of Software 1982-83, companion volume to the indispensable Computer Users' Year

Book. This is a 1300 page plus tome with sections in English, French and German. It lists products by category and includes brief profiles of the leading software suppliers.

New to the market is the ICP Software Directory published by International Computer Programs the organisation which runs the million

dollar awards ceremony. The list of products is divided into categories and for each product there is a brief description together with number of users, hardware supported and marketing contacts. More about the International Directory on 0202 302464 and about the Software Directory on 01-493 8424.

The hydraulically counter-balanced bed, which is clamped

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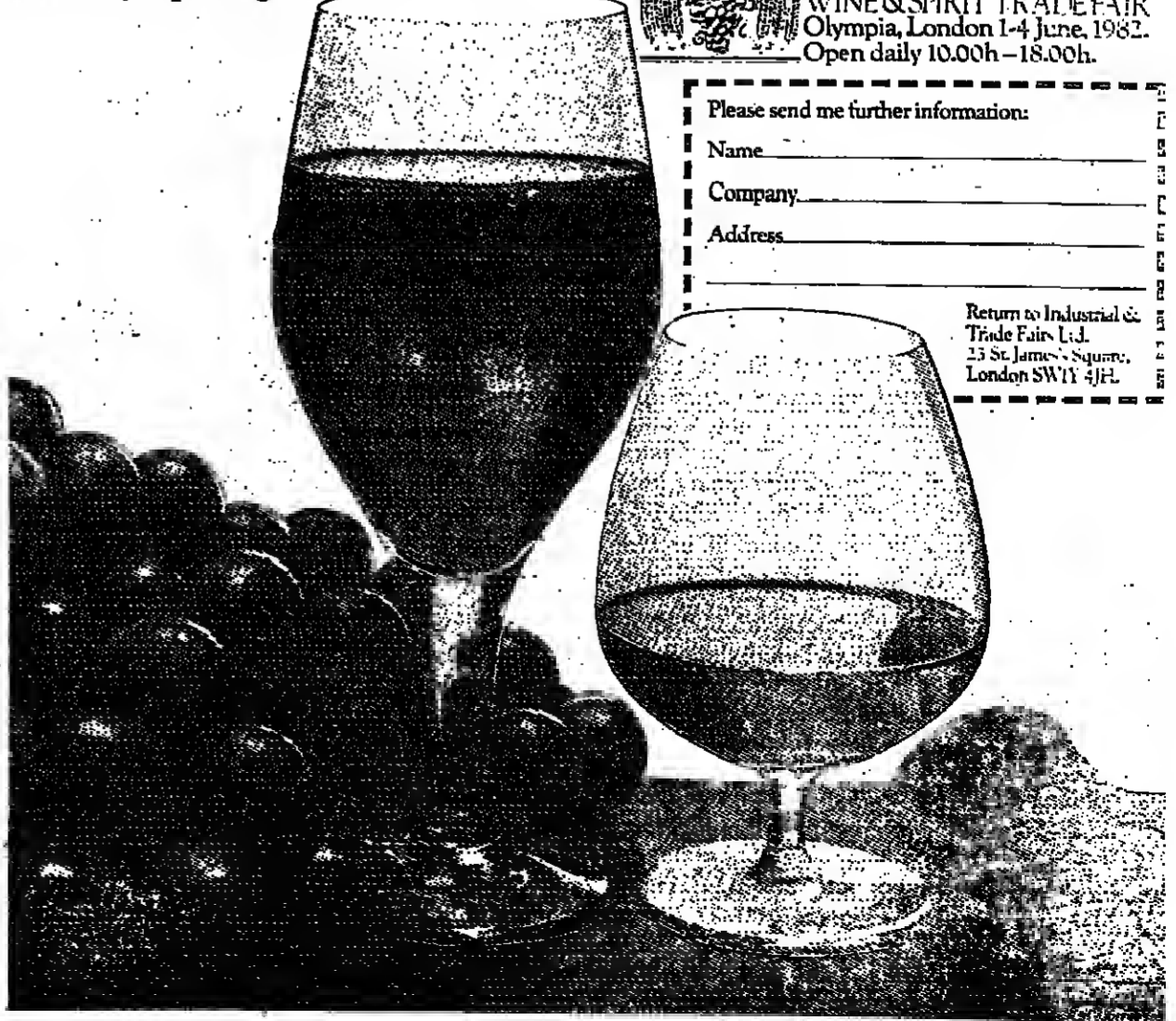
Some 200 major producers, growers and shippers will be participating at this new event in addition to extensive official government pavilions from France, Germany, Portugal and Spain and an Italian group stand, famous companies such as Atkinson Baldwin, Barwell & Jones, James Burrough, City Vintagers, Matthew Clark, Enotria Wines, Findlater Matta, Lanson Pêre & fils, London Wine Importers and Reckitt & Colman are just a few of the big names exhibiting.

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FT COMMERCIAL LAW REPORTS

Agreed Sunday time limit means Monday

THE CLIFFORD MAERSK

Queen's Bench Division (Admiralty Court): Mr Justice Sheen: May 25 1982

WHERE PARTIES to a contract of carriage agree to extend the contractual time within which proceedings must be brought for damage to cargo, and where the date on which the extension is to end falls on a Sunday, the writ is issued in time if issued on the following Monday, or the next day on which the court office is open.

Mr Justice Sheen so held when determining a preliminary point of law in favour of the cargo-owners, N De Groenendijk, in an action against A/S D/S Svendborg and DS AF 1912 A/S, the owners of the ship, Clifford Maersk, for damage to the cargo. The preliminary point was whether the carriers were discharged from liability because the cargo-owners failed to issue the writ within the agreed time.

Article 11, rule 6 of the Hague Rules provides: "... the carrier and the ship shall be discharged from all liability in respect of loss or damage unless suit is brought within one year after delivery of the goods."

was granted by a letter of March 16 1981, "up to and including June 21 1981." The writ was issued on Monday, June 21, 1981 was a Sunday. The question was whether the extension was in fact an extension up to and including June 19, that was the last day on which a writ could be issued before June 21, or whether it was an extension until June 22, being the next day on which the office of the Supreme Court was open.

Mr Irvin, for the carriers, submitted that the effect of the extension was to substitute "June 21, 1981" for "one year after delivery of the goods" in Article 11, rule 6 of the Hague Rules. He said it was a clear and unambiguous commercial contract, and there was no overriding reason to "give" an extra day.

Both horses are ridden by Willie Carson and both should win. Main Sall, a bay filly by Blakeney out of the fast Grey Sovereign mare Pluke won the Sea Beach Stakes impressively at the first time of asking at Goodwood eight days ago. She was ridden by Brian Proctor, because it was feared she might prove troublesome in the stalls and jeopardise Carson's chance of partnering Height of Fashion an hour later.

done in time if it is done on the next day on which the court office is open (RSC Order 3, rule 4). I think we should apply a similar rule when the time is prescribed by statute. By so doing we make the law consistent.

Mr Irvin stressed that the "Master of the Rolls" was there to deal with a time prescribed by statute, whereas the present case was concerned with a period agreed between the parties. There was no decision of an English court directly in point, but the same situation arose before the U.S. Court of Appeals, 5th Circuit, in J. Aron and Co Inc v Sterling Navigation Co Ltd (The Algor Jacob) 1976 American Maritime Cases 311.

Lord Denning, Master of the Rolls, said at page 349. "The Rule prescribed in both the County Court and the High Court is this: if the time expires on a Sunday or any other day on which the court office is closed, the act is

The Zoroastro N [1976] 2 Lloyd's Rep 383 at page 383: "I am not persuaded that the obligation to pay in advance of a certain date... means after that date when there is some practical difficulty, such as a bank being closed."

To that Mr Gross replied with equal force that some effect must be given to "up to and including" and that an extension "up to and including June 21 1981" should not be construed as meaning "only up to and including June 19 1981."

Unless a similar misfortune befalls her in the opening St Helens Maiden Filly Stakes, Mama Leone will come good with the minimum of fuss. At the evening meeting at Pontefract, Centurus gets another confidence booster in the Walnut Stakes and Forget Me Not will, I suspect, get the better of Mama Lenne's stable companion, Best Biz, in the Sycamore Stakes.

6.30-7.45 am Open University (Ultra High Frequency only). 7.45 The 11th Visit. Donny Donibley is at Gatwick Airport for this first-ever visit by a Pope to this country; 8.00 Welcome at Gatwick; 8.30 Departure by train for Victoria Station; 8.35. The background and significance of this visit; 9.20 Arrival at Victoria Station and motorcade to Westminster Cathedral; 9.50 Pope John Paul II celebrates Mass with the Bishops of England and Wales; 12.15 Blessing of the crowd in the Cathedral Piazza; 1.00 News; 1.30 Heads and Tails; 1.45 Weekend Warlords; 2.10 The Papal Visit: Pope John Paul II will travel by motorcade to Buckingham Palace for an audience with the Queen; 3.53 Regional News for England (except London); 3.55 Play School; 4.20 Make 'Em Laugh; 4.40 Newsround Extra; 4.50 The Adventure Game.

6.40-7.55 am Open University. 9.00 For Schools, Colleges. 10.55 Play School. 11.22 For Schools, Colleges. 12.10 pm Golf: Sun Alliance PGA Championship. 2.22 For Schools, Colleges. 2.32 Golf (further coverage). 3.10 The Passover Among Yemenite Jews. 5.35 Weekend Outlook.

12.30 pm Spread Word Winds. 1.20 The 11th Visit. 2.00 North News. 2.10 The 11th Visit. 2.30 The Fall Guy. 10.45 News. 11.15 Members Only. 11.30 Friday Late. 11.45 The 11th Visit. 12.00 am The 11th Visit. 1.20 am A Pope Prays.

12.30 pm The Electric Theatre Show. 1.20 Border News. 3.45 Make Mine Music. 6.00 Lookaround Friday. 6.30 The 11th Visit. 7.30 The Fall Guy. 10.45 You MP. 11.15 Bangor UKB. 12.15 am Border News Samray.

TELEVISION

Chris Dunkley: Tonight's Choice. Unfortunately tonight's most fascinating programme has been pulled out of the schedule. It was part 2 of the Gaidin To Armageddon on BBC-2, the beginning of which was cancelled on Wednesday, being considered unsuitable for transmission during the Falkland crisis. I mention it first because it is billed in the Radio Times, and second so that all remember it in case the BBC is tempted to quietly lose this, the first programme in many years to look soberly at the possibility of nuclear attack.

ITV continues its admirable policy of producing drama serials with contemporary themes (Muck And Brass, The Brock Report), with the first in a 13-part work about the car industry called On The Line. The hope is expressed that it will "do for the car industry what Dixon of Dock Green did for the police force." Well that's what they say.

12.30 pm Star Trek. 12.30 pm The 11th Visit. 12.30 pm The 11th Visit. 12.30 pm The 11th Visit. 12.30 pm The 11th Visit. 12.30 pm The 11th Visit.

12.30 pm Star Trek. 12.30 pm The 11th Visit. 12.30 pm The 11th Visit. 12.30 pm The 11th Visit. 12.30 pm The 11th Visit.

LONDON

7.45 am The Pope in Britain: Pope John Paul II arrives at Gatwick Airport. Alastair Burnet is the commentator, with Monsignor Peter Coulman. The Pope will celebrate the first full Pontifical Mass on English soil at Westminster Cathedral, 12.30 pm. Birds Under Water, 1.00 News. 1.20 Thames News with Robin Houston, 1.30 About Britain. 2.00 The Pope in Britain: The meeting with the Queen. 3.00 After Noon Plus presented by Elaine Grand and Simon Reed. 3.45 Wild, Wild World of Animals. 4.15 Bugs Bumpy. 4.20 Dance Crazy. 4.45 Freemint. 5.15 Film Fun with Derek Griffiths.

6.00 The 6 O'Clock Show presented by Michael Aspel, with Janet Street-Porter and Fred Houston. 7.00 The Pope in Britain: The First Day. 7.30 Magnum starring Tom Selleck. 8.20 The Rounder starring Peter Bowles and George Cole. 8.00 On the Line. 8.00 News. 10.45 Benson starring Robert Guillaume. 11.15 The London Programme: Shuck On Glue. 11.50 Rawhide starring Eric Porter with Barbara Stanwyck. 12.50 am Close: Sit Up and Lie Low with Beverly Anderson.

12.30 pm Biggame. 1.20 TVS News. 2.45 The New Fred and Barney Show. 3.15 The New Scooby and Shaggy Show. 3.30 To Coast. 3.30 Friday Sporshow. 7.30 The Fall Guy. 10.45 Getting It On (cover of the album). 11.15 Resurrected: Bob and Carol and Ted and Alice, starring Natalie Wood and Robert Culp. 1.10 am Comedy.

12.30 pm The Amazing Years of Cinema. 1.20 Calendar News. 3.45 Biggame. 3.00 Calendar (Entire Movie and British Features). 5.30 Past Masters. 7.30 The Fall Guy. 10.45 Pro-Celebrity Snook. 12.15 am Ladies' Man.

FT FINANCIAL TIMES CONFERENCES JAI The Economics of Natural Gas Development Venice 21 & 22 June 1982. Natural gas is a promising source of energy for many developing countries but its use poses serious economic and commercial problems. This Financial Times - Jensen Associates conference to be held just after the IGU meeting in Lausanne is designed to weigh the difficulties and assess the solutions in a high risk high reward energy sector. The principal speakers at this conference, intended for officials, bankers, industrialists and traders, will include: Mr G Kardaun, Mr Adrian Lajous Vargas, Ir. Wijarso, Dr M Colitti, Mr Peter Vrancken, Mr M H Meunzler, Mr Peter D Gaffney, Dr Tongchat Hongladaromp, Mr P Bourcier, Mr Franz A Forrester. Sponsored by: Financial Times Jensen Associates, Inc.

FINANCIAL TIMES SURVEY

Friday May 28, 1982

Printing Industry

A campaign to regain work won by overseas printers has been only partially successful. In the longer term the industry must compete and ally with television, video and other kinds of electronic transmission. This will require companies to update their technology and skills faster than at present.

Foreign competition starting to ease

BY ALAN PIKE

MANY overseas visitors to Britain this summer will probably take home as a memento one of those large, lavishly-illustrated books which capture hundreds of years of British history and heritage.

There are plenty to choose from. The Country Life Book of the Living History of Britain, printed in Spain. . . AA Treasures of Britain, printed in Italy. . . The British Isles, a Symphony in Colour, printed in Spain.

Two points are thus illustrated—the print market is an increasingly international one and the British industry's recent efforts to compete in it have not met with uninterrupted success.

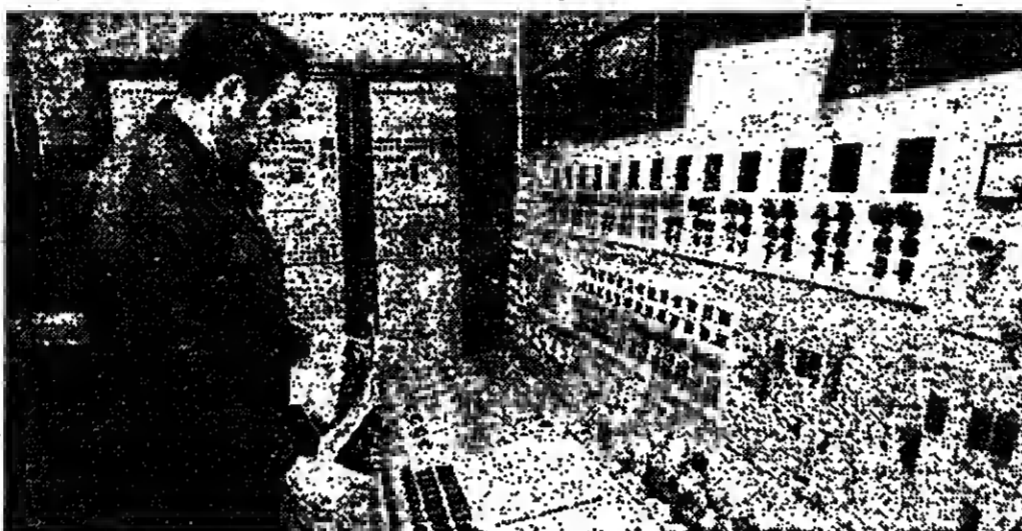
The problems which have put so many foreign productions of books which are at first glance British onto bookshop shelves are shared by several other sectors of the industry. Recently there has been some sign of an easing in the level of successful overseas competition. This has had much to do with the weaker pound but there is also a conviction among printers that publishers and other clients have not always found the quality of product overseas that they have come to expect from home-based companies.

try to regain work in areas like books, gravure and mail order catalogues where the level of import penetration in recent years has approached crisis proportions.

But there is little optimism in the industry that much of the work which has been lost by British and in some cases other European industries to lower-cost competitors like Hong Kong will ever return. This is particularly true of routine orders at the lower end of the market—indicating that the European industries must not only make repeated efforts to reduce their own costs, but must be alert to the possibilities offered by greater specialisation.

Struggle

In one crucial sense, however, the struggle between national printing industries for the best possible share of a world market is only part of the complete picture. In the slightly longer term the future of the printing industry throughout the world will depend upon its ability to both compete and ally with computers, television, video and other forms of electronic transmission, in order to retain for the printed word the biggest possible share of a total communications market.



Modern plant such as this at Sun Printers, Watford, is transforming the industry. A great range of new equipment will be on show at next week's International Paper and Printing Fair at Dusseldorf.

This will not only require printers to update their technology and the skills of their workers at a much faster pace than the British industry is doing at present. It will mean continual re-examination of where the natural frontiers of a printing operation begin and end as, for example, the development of word processing and computer-to-computer links cast doubt about the need for some of the new technology skills like key-stroking within many printing companies themselves.

The British book production sector, an example of one that has suffered heavily from conventional competition, is showing signs of trying to come to terms with this changing future in the field of electronic and video publishing. It remains a matter of speculation how much

restricts American authors' copyright protection to works produced in the U.S. Opposition to renewal of the clause, being considered by Congress at the behest of the U.S. printing industry, has come at the highest level in both Britain and elsewhere in the EEC. M. Gaston Thorn, president of the European Commission, has told Eurograf, the European printing employers' federation, that retaliatory measures will be considered if the clause is renewed. The British Government has also not ruled out retaliatory action, and the EEC has called upon President Reagan to exercise his personal veto should Congress decide to renew the clause.

Fears of the U.S. market being invaded by low-cost products from the Far East are a powerful element in the Ameri-

can printing industry's demands that the manufacturing clause should be retained. The impact of the clause on the British printing industry has been serious, in view of the huge importance of the U.S. as a market for English-language products, and there is a danger that if the manufacturing clause is not repealed British exports to Canada will be affected as well. Canada has until now enjoyed exemption from the U.S. legislation and as a result has imported English books and periodicals free of duty. But if the manufacturing clause is renewed it is likely that this exemption will end, provoking Canada into imposing import duties.

In Britain all sections of the printing industry continue to operate below capacity because of the recession. The economic downturn has had its impact on the industry in terms of closures, redundancies and other economies. In view of the many indirect influences of general economic activity on the demand for print—from airline tickets to instruction material in new products—the progress of the wider industrial economy will be the main determinant of the industry's immediate future prospects.

Optimistic

Last year printers' costs over 1980 rose by 12 1/2 per cent against price increases estimated to have been around 3.6 per cent. The cost of paper rose particularly steeply following the fall in the value of sterling—imported wood pulp cost about 30 per cent more by the end of the year while imported paper was around 10 per cent dearer.

There is, however, a growing

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INDEX OF PRODUCTION

(general printing and publishing) (1975=100)

1976	100.3
1977	107.4
1978	109.6
1979	113.9
1980	110.5
1981	103.7 (first quarter) 101.8 (second quarter) 101.8 (third quarter)

Employment in general printing and publishing

June 1976	195.4
June 1977	196.8
June 1978	199.6
June 1979	202.0
June 1980	196.5
June 1981	186.2
December 1981	184.2

Source: Business Statistics Office.

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ROBERT MAXWELL
Chairman and Chief Executive, BPPC.

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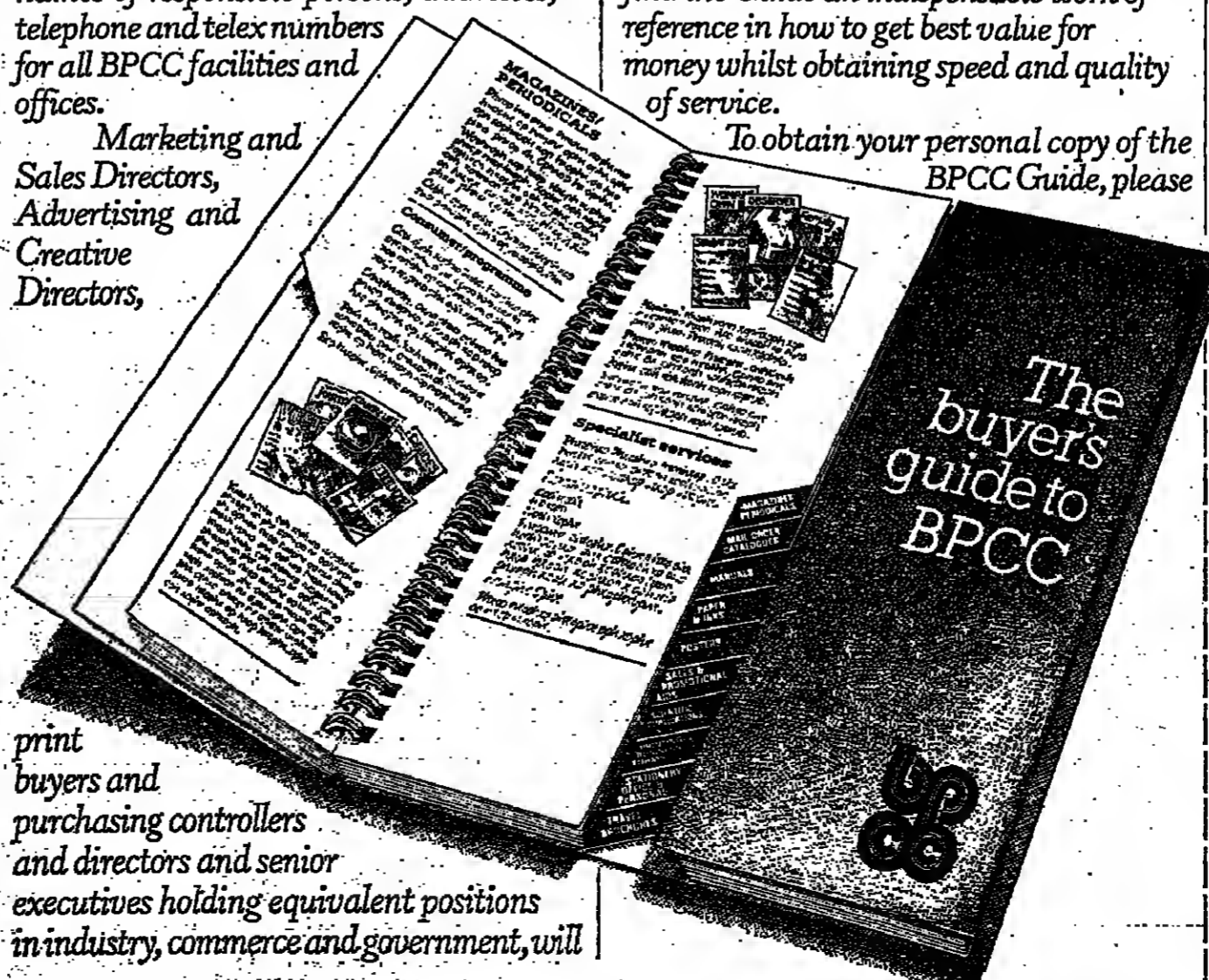
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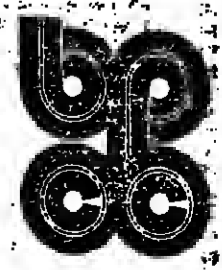


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PRINTING INDUSTRY II

Already this year SOGAT has amalgamated with Natsopa and Slade with the NGA. Now the resulting pair may unite.

Talks to start soon on single union

THE FIGURE 1982 now appears at the end of the official titles of the Society of Graphical and Allied Trades and the National Graphical Association, indicating that the most significant event in the printing industry's industrial relations for many years has come to pass.

This is the year in which the TUC print union structure is being transformed by amalgamation. The old NGA, the biggest craft union, has amalgamated with Slade, the process workers' union, to form the NGA 1982. And in July the amalgamation of the old Sogat, the biggest print union, with the National Society of Operative Printers, Graphical and Media Personnel (Natsopa), will be completed to create Sogat 1982.

Only a year or two ago, while the amalgamation talks were in progress, doubters suggested that the industry's deep demarcation consciousness would get in the way of good intentions, and the attempts to bring the unions together would collapse. There have been setbacks along the way—the first time the NGA-Slade link was put to a ballot of the Slade members they rejected it. But voting on the 1982 amalgamation has been completed and the future of the new unions established beyond doubt.

Creation of the new Sogat and NGA is, however, seen by union leaders as no more than a temporary halfway-house towards the objective of one union for the printing industry. Achievement of complete unity was considered to be more likely if the amalgamations took place in two stages. Talks on how to bring Sogat and the NGA together into a single printing union are likely to start shortly.

Predict

The remaining TUC print union, the National Union of Journalists, is meanwhile engaged in amalgamation discussions with the NGA. While the outcome of this part of the grand design for a single union is difficult to predict—and may prove harder to achieve than a Sogat-NGA merger—delegates to the NUJ conference this spring decided against ending the amalgamation talks.

The impact of changes in technology in breaking down discreet job skills has provided the prime momentum for the amalgamation discussions. European experience has shown that when technological changes make entire skills redundant the existence of one union is not medicine enough to cure every problem that arises.

But union leaders believe modernisation of the printing industry's union structure through this year's amalgamations—plus the pledge to go further and create a single union—is a vital contribution to meeting the challenges involved in modernising the industry. The new unions will be led by Mr Bill Keys and Mr Owen O'Brien as joint general secretaries of Sogat, and Mr Joe Wade and Mr John Jackson as

joint general secretaries of the NGA.

Another drive for reform and modernisation is being mounted by employers and union leaders on the National Economic Development Council printing industries sector working party, and demands action at company level. The sector working party is convinced that one way of improving the industry's economic performance would be through closer co-operation between managements and workers based upon better communication.

It would appear that companies which are at the heart of the communications industry have a lot to learn about communication themselves. The sector working party judged after conducting a survey that "employee communication as practised within most printing companies is inadequate in relation to the needs both of companies and their employees." External communications also require some attention if the response rate to the sector working party's questionnaire is any guide—inquiries went out to nearly 3,000 establishments with more than 15 employees in printing, manufactured stationery and packaging—and replies were received from 252.

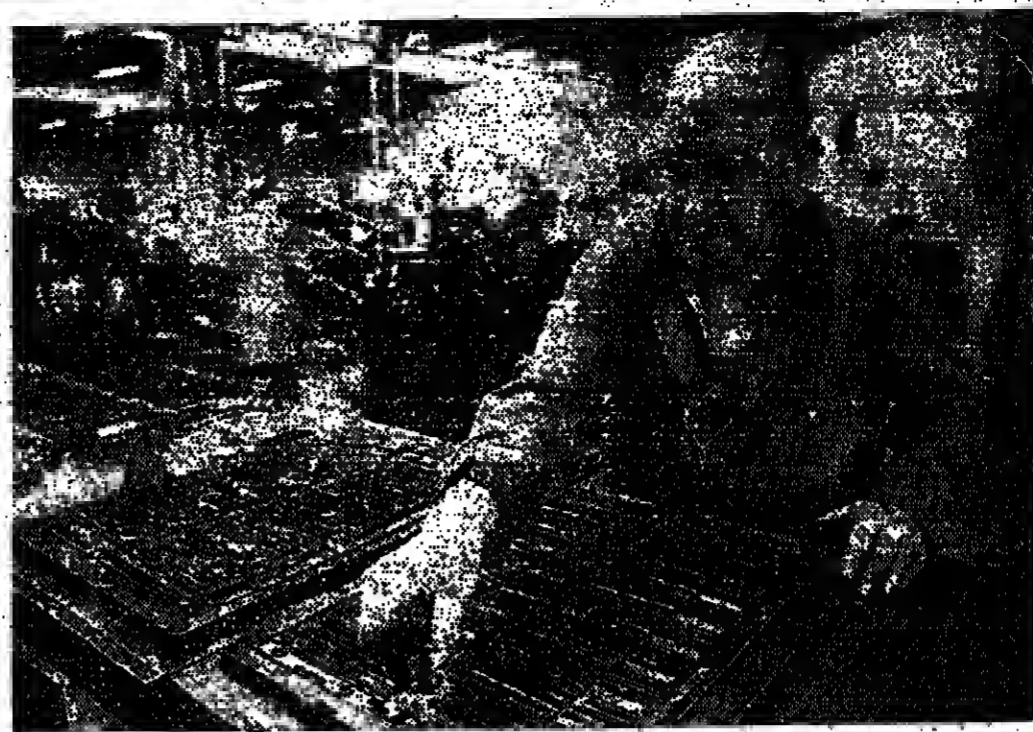
Consultation

The sector working party has, after extensive consultation in the industry, issued a set of guidelines to which it hopes companies will respond in a bid to improve communication. At a minimum it suggests that there should be:

- An annual presentation to all employees supported by a written financial report, containing all information provided for shareholders, issued in advance of the meeting.
- Regular face to face communication meetings between relatively small groups.
- Regular meetings of management and employee representatives to discuss issues outside the area of normal collective bargaining.
- Training for both management and employee representatives in the principles and skills of effective communication and understanding business information.

Companies interviewed gave a range of reasons for not, at present, providing employees with business information. These included fears of disclosing confidential material, the possible effect on pay bargaining, lack of employee interest or understanding, fears that new management and employee confidence and problems arising from a company being part of a larger group. The sector working party responds however, that some companies manage to overcome barriers to providing employees with adequate information, and a series of regional seminars to discuss the issues with management and union representatives are being arranged during the summer.

Alan Pike



Hot metal printing is coming under increasing pressure from modern techniques and the old skills of the trade are now much less in demand.



SATELLITE TRANSMISSION

COMPLETE facsimile pages of the Financial Times have been transmitted from the newspaper's London headquarters via a small dish aerial to Frankfurt, where the international edition is printed.

The FT was the first organisation in Europe to cooperate with British Telecom and Deutsche Bundesposte, the German telecommunications authority, in running business trials on the orbital test satellite.

The UK's second small dish aerial was put up in April at University College, London, as part of a joint research project to link computer terminals through six earth stations to monitor methods of communication. Involved are British Telecom, universities GEC-Marconi, Logica, the Science and Engineering Council and Department of Industry.



The evolution of printing as part of communications generally has resulted in the invention of many new machines, such as this Philips P7000 multi-junction processing system which combines text and data processing with other functions.

British aim to show off their specialised products

Exhibitors head for Dusseldorf

DRUPA 82, the 8th International Printing and Paper Fair, opens in Dusseldorf on June 4 with more than 500 categories of exhibit ranging throughout the printing equipment and related fields.

British exhibitors will include a 60-strong joint venture organised by the British Federation of Printing Machinery and Supplies. British companies go to Drupa representing what is, after West Germany and the U.S., the third largest printing machinery industry in the world in terms of its share of world trade.

About 70 per cent of the British industry's £300m annual output is exported and—in spite of a correspondingly high level of imports—it has an overall positive trade balance.

The overall trade position disguises the fact that exports do

not cover the level of imports to Britain in some of the traditional mechanical areas like printing presses, bookbinding machinery and paper converting equipment.

But the British industry has the advantage of being at its strongest in the high-technology pre-press areas such as typesetting and graphic reproduction which now employ lasers, micro-technology and similar advanced techniques. Exports of typesetting equipment from Britain in the last four months of 1981 were running at more than double the level of imports.

The British printing equipment industry is second only to the U.S. in its share of world trade in these high technology areas and is closing the gap with this main rival.

Remaining in a commanding

position in this very competitive market requires the industry to adapt quickly to changing customer needs and maintain high investment in the latest production techniques.

The National Economic Development Council printing machinery sector working party has been examining ways of encouraging the industry to adapt more quickly to changing market needs and examine marketing attitudes. This has led to a recent reorganisation of trade associations in an attempt to give more central direction to export activities.

But as the exhibitors at Drupa will demonstrate, one of the important characteristics of

the British printing equipment industry is its high degree of producer specialisation, with some 90 small and medium sized companies meeting particular market needs.

Leading printing machinery producers—share of world trade

	UK	Germany	U.S.
1977	2.3	41.3	17.7
1978	16.1	40.9	16.1
1979	10.2	41.1	17.0
1980	10.9	38.9	17.7

All figures percentages of total. Source: OECD.

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City printers meet challenge from word processors

"IN CITY printing today it is our customers who are the competitors."

This comment from Mr Tony Williams, chairman of Williams Lea, which includes financial printing among its leading activities, illustrates the challenge and change which technological developments are bringing to this highly competitive sector of the print market.

The rapid growth—and continual technical advance—of word processors in City offices has the most sweeping implications for City printers. On the production side it holds out the prospect of material, produced by word processing staff in client companies, being fed directly into the printing work's computer production system, eliminating the need for it to be re-processed by print workers.

It also provides client companies with the potential for producing in-house material which until now has automatically gone to a printer—hence Mr Williams' comment.

The result is likely to be an intensification of efforts by financial printers to maintain and extend still further the traditionally high level of service and reliability which they offer.

Mr R. J. Hodgson, managing director of Burrup Mithleton, one of the major City printers, believes that the spread of

word processors will, all being well, mean more work for the printing industry.

It should he believes, make it easier for clients to process material for printers—who are in a position to offer a higher-quality finished product than it would be possible to produce in-house.

The big financial printers are increasingly thinking in terms of an international rather than purely domestic market. Williams Lea this year opened up the first transatlantic link providing simultaneous production of financial documents in London, New York, Chicago, Los Angeles and Houston. It is now looking at the potential for developing the system—possibly taking in the Far East by the end of this year and then Europe.

Combination

In another departure, Williams Lea is, in conjunction with Michael Barratt Ltd, launching a new joint company called Video-plus-Print. This will offer companies a combination of both printed and video versions of material such as annual reports and training manuals.

Elsewhere in the financial sector London-based W. R. Royle has established a new company, Royal Computer-setting, which Mr Peter Royle,

managing director, says will enable the company's financial printing division to offer a highly flexible and sophisticated service to the City.

"We are now capable of producing the largest corporate financial documents overnight. This is a much improved service which will undoubtedly be of great value to merchant bankers, corporate lawyers, stockbrokers and anyone involved in high speed, financial printing."

The British Printing and Communication Corporation's Waterlow Security Printers has opened a new factory in Luton, where it says magnetic tape-based input from clients has halved delivery times. New works for another of the division's companies, Petty Business Forms, are due to open in Leeds in the summer.

Telephone: 0494 2201-2
Telex: 23983
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Aylesbury

July in Life

PRINTING INDUSTRY III

Publishers affected by spending cuts

CONDITIONS IN publishing remain intensely difficult but there is a possibility—judged on improved financial performance in some publishing houses—that 1982 and 1983 will show growth, says the Publishers Association...

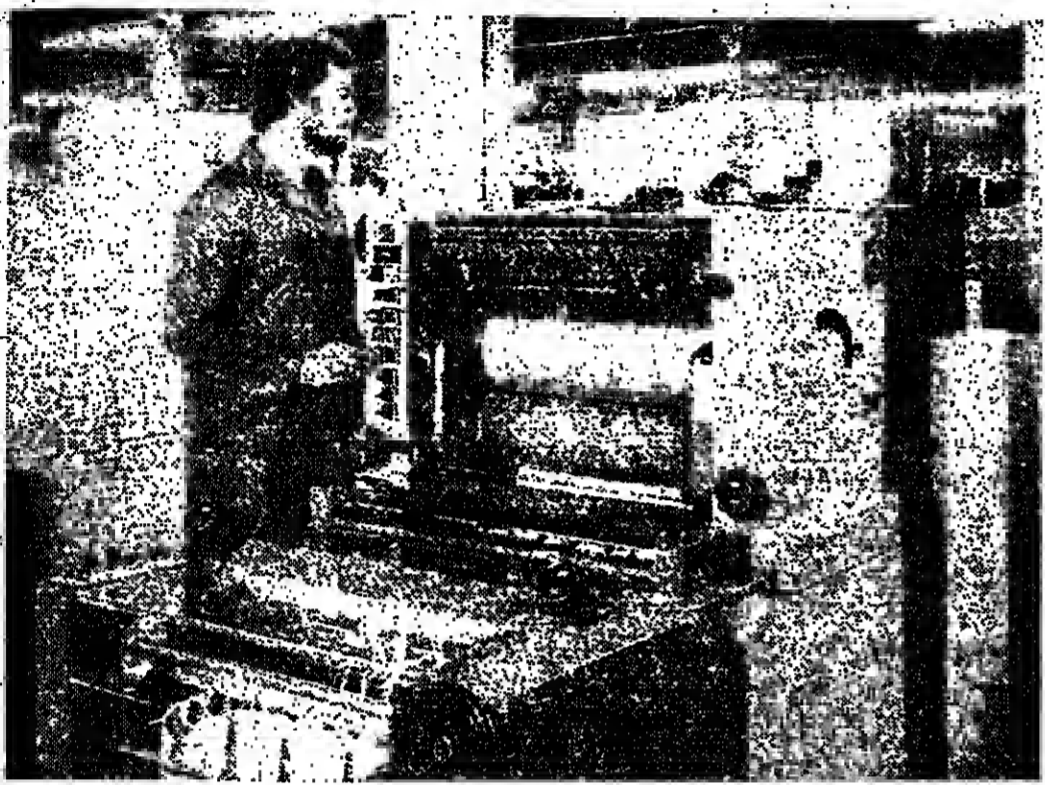
The decline in educational book purchase in Britain has been accompanied by a shrinkage in the value of the export market for academic books. One of the areas which educational publishers hope will provide new opportunities is the launching this year of the Open Tech...

But the Publishers Association pointed out in a report last month that such improved financial performance as some publishing houses have shown recently has resulted from rigorous cuts in output and overheads, reflected in reductions in both title output and staffing levels...

Handwritten note in Arabic script: كذا في الجريدة



These books from British publishers and book clubs are all printed abroad—on the Continent or in the Far East. Publishers are seeking new markets for English-language books in developing countries and elsewhere



This new Thompson offset press will be one of the British exhibits at next week's Dusseldorf Printing and Paper Fair. British printing machinery manufacturers hold the third-largest share in the world market

BRITAIN'S BIGGEST PRINTING COMPANIES

Table with 5 columns: Company Name, Balance sheet date, Turnover, Exports, Profits before tax, UK employees. Lists companies like British Printing and Communication Corporation, Thomas De La Rue and Co., etc.

PROFILE: BRITISH PRINTING AND COMMUNICATION CORP.

Turnround to profit

ASK ANYONE in the printing industry to name the single most remarkable event of the past year and the response will be virtually unanimous—the improved fortunes of the British Printing and Communication Corporation.



Robert Maxwell: lasting solution

Sufficient investment in technology asserts Mr Maxwell, is the only way of winning orders in face of the strong international competition in today's print market.

At the beginning of last year the old BPC, Europe's largest printing operation which contains some of the British industry's most famous names like Waterlow, Purnell and Sun Printers, faced acute financial and structural difficulties.

Another link in the recovery strategy is investment in new techniques and equipment. Since the survival plan, BPC has invested £24m in equipment and modernisation, in addition to some acquisitions.

The combination of the roles of printer and publisher has not been a successful one in Fleet Street, says Mr Maxwell—now Britain's biggest printer and someone who has more than once tried to become a national newspaper proprietor.

Paper capacity slashed as margins narrow

THE UK paper industry has been through some nerve-racking times in the past two years. Capacity was slashed as profit margins were squeezed brutally by recession. Companies are waiting for demand to pick up enough to create a substantial financial recovery.

Industry Federation (BPPIF) reckoned that total consumption was slightly down at around 7m tonnes, with exports lower and imports accounting for about 68 per cent of consumption.

While there were still problem areas and the recession was continuing to take its toll, the EIU said: "There is clearly much scope for dramatically improved profitability levels when a sustained economic upturn takes place."

Advertisement for Hurley Moate Webb Handling equipment internationally. Lists various types of printing equipment and materials.

Advertisement for PLASTOTYPE LTD. Specializes in photopolymer plates, stereos in plastic, and rubber for their manufacture.

Pressure Display advertising has also been under pressure due to the fall in advertising for job vacancies. The EIU remarked that the pagination of many national papers was at a very low level at the end of 1981.

Not all of the UK industry's experience has been negative. While investment has been piecemeal as the emphasis has been on retrenchment, one private Scottish company has spent £12m on a plant to make coated gloss paper for high quality printing.

The survival plan has been painful. Some plants have closed, others have been thinned, and the group's workforce has been reduced by 30 per cent. But, says Mr Maxwell, this was the only way of protecting the jobs of the 8,000 people still employed by BPC.

Large advertisement for HARRISON & SONS (LONDON) LIMITED. City and Financial Printers. Includes contact information for Bill Morter.

Advertisement for Williams Lea corporate finance printing. Promotes their computerized type-setting system and worldwide facsimile services.

Advertisement for Bar-coding services. Promotes Datronic film masters in Europe.

Advertisement for Rail-Kwik Printing. Promotes quick-printing services with 50 centres throughout the country.

PRINTING INDUSTRY IV

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 - Continental Print Limited
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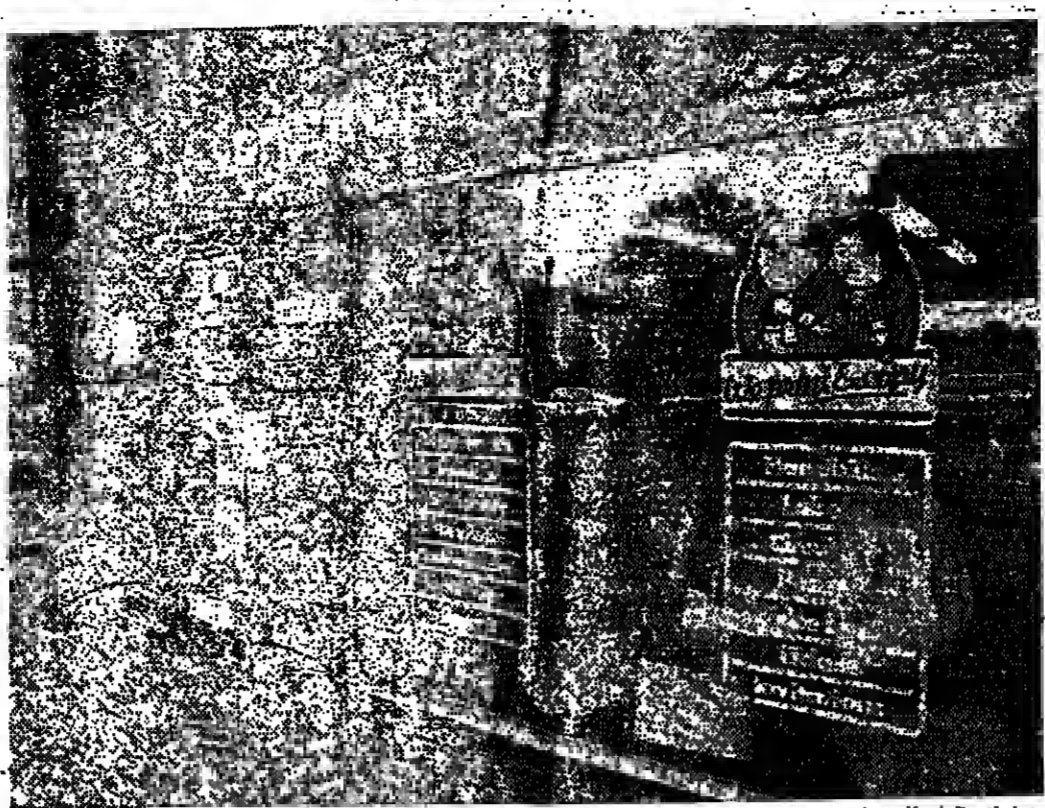
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Printprint, the largest UK operator, has grown at the rate of 50 shops a year over the last two years. Nearly all of them are franchised.

Instant print shops fill gap in market

AN EXCITING phenomenon has developed in the UK printing sector over the last few years which has improved and modernised the image and begun to worry traditionalists. It is the instant print shop.

The instant print "industry" began in the U.S. in the mid-1960s and was first noticeable in Britain around the same time. But it did not really take off in the UK until the late 1970s and since then the number of instant print shops has grown steadily from year to year.

There are now about 1,500 and they are growing at a rate of two to three a week. Instant print shops, as distinct from in-plant printers, are retail outlets, usually in high street positions, which offer a fast service to the customer of mainly short runs of black on white.

Most of the shops are individually owned but a growing number are part of franchise organisations and all are expecting growth over the next few years.

The secret, according to most people in the business, was the awareness of a gap in the market. They offer an efficient service with emphasis on delivery within a specified time, both areas which traditional printers, they say, have been known to neglect.

According to Instant Printing in Germany, UK, Sweden and the U.S., a documentary study on the development of the instant print-market by Battelle Geneva Research Centres for the International Master Printers Association, there are several factors which have given rise to instant printing and encouraged its expansion.

The first of these is the advent of electrophotographic duplication, which for the first time made it possible to have an instant copy of a camera-ready original.

The development of technology within the printing industry, which has often been opposed by unions, left the market wide open to people who often had no experience of traditional printing methods.

Specifically, the report says, "the development of a new plate material for use in small offset duplication which allowed metal plates to be replaced directly from a camera-ready original" and coupled with this, the development of a special camera which could process the new photographic plate material "has made this possible."

The report says the switch from an industrial society to an information society has brought new customers with new requirements on the volume of material they require. Mr Denis Campbell Nisbet, chairman of the British Association of Print and Copyshops, and managing director of the PDC Copyright chain, said: "Our concern in this country is with paper: everyone wants everything in duplicate and triplicate."



Quick print shops are expanding their range of services to take on larger jobs and longer print runs

attention to the needs of customers and the necessity of doing the job on time. Whether or not instant printers believe that they are encroaching on traditional printers' ground—and many believe they are not—all say they have found good service and delivery are considered at least as important by customers as price and quality.

The UK's largest operator is Printprint, a company founded and owned by Mr Edwin Thirwell, who opened his first shop in Newcastle in 1970. In 1972 the company became a franchise chain, and today it has 180 shops, two of them company owned and the rest franchised. Printprint has grown over the last two years at a rate of 50 shops a year. The company has a turnover of about £9m and has just opened an international office.

and should be treated as such. The BAPC is also concerned about the activities of Rank Xerox, which supplies most of the copiers which BAPC's members hire. The BAPC claims that Rank Xerox uses the monthly usage returns of individual shops to see which are doing well, and then opens a copy shop of their own down the road. Rank Xerox dismisses this claim and says their copy bureaux are run entirely separately from the rest of their activities. "Information within Rank Xerox UK is not available to the personnel of RX Copy Bureaux," says Rank Xerox.

The BAPC is negotiating reductions for its members on machinery they all use. It is for this reason that Printprint's 150 shops withdrew their membership. "We felt they were going away from what they should have been doing, and using it as a trade organisation for discounts," said Mr Martin Richmond, managing director. "As the largest chain we felt they were using our numbers to get benefits for the competition."

Despite these problems, the BAPC estimates that the instant print sector will grow by at least 10 per cent over the coming year, with about 150 new shops opening. This is not as fast as the rate of growth in the U.S., which BAPC estimate will be about 24 per cent. But according to Instant Printing, growth is forecast in both the U.S. and the UK, the situation is different in Sweden and Germany, where "only very little or even nil potential for future growth can be discerned."

Persuade

Kalk-Kwik Printing (UK) is the British side of an American company, and is run in this country by Mr Moshe Gerstenhaber, who "fell in love with printing" and decided printing would be a suitable business. He persuaded the American company to let him start up in this country, and Kalk-Kwik (UK) now has 45 shops. As with most printing franchise operations, the franchisees come from a wide variety of backgrounds, not usually connected with printing. In fact Kalk-Kwik prefers people from a background where they are used to dealing with people, because service is so important.

Mr Denis Campbell Nisbet used to be a civil servant and found that there was such a lot of copying to be done that he could form a business around it. He opened the first PDC Copyright shop in the mid-1960s and now owns seven, with a further three franchised. He has a turnover of nearly £1m. An average PDC Copyright shop in a central city location can expect a turnover of between £1,500 and £3,500 a week.

Mr Campbell Nisbet believes quick print shops are getting most of their trade because of faults in the conventional service. "They price themselves out of the market," he said. Although his shops started out doing only short runs, "experience is now showing us we are getting a bite of the bigger apple."

In 1979 he founded the British Association of Print and Copyshops. The main concerns of the association, which has more than 400 member shops, include: producing educational material to help members train staff, and sorting out the ambiguities of Value Added Tax on various jobs. It is also trying to standardise the approach of local councils toward print shops. Some classify instant print shops as light industrial, others as offices, and some as retail outlets. The BAPC says its members are retail outlets

Quality

The report comments that the quality of commercial print work is often said to be higher than instant print, customers want or need, and work may not be carried out by the time required.

Some instant print chains in the UK are realising that although they started out doing only smaller jobs than traditional printers found time-consuming, and uneconomic, it is becoming possible for them to expand their range of services and take on larger jobs and longer runs. However, there are instant printers who say they have no plans to expand in that direction.

Another feature which distinguishes instant print shops from their traditional brethren is the emphasis they place on service and speed of delivery. "Instant printers are almost unanimous in claiming that commercial printers have never paid

Training set to provide new skills

INDUSTRIAL TRAINING in printing is set to change extensively next year under proposals which will make the industry one of the first to abolish time-served apprenticeships.

Agreement has been reached between the British Printing Industries Federation and the National Graphical Association on a scheme designed to improve the flow of skilled workers into the industry and ease retraining for new skills as technology changes.

The plan, finalised this month, is being considered by BPIF member companies and will go out to a ballot of NGA members after it has been considered by the union's conference next month. If it passes through these stages successfully—and the prospects look reasonably hopeful—it will replace the existing apprenticeship system in August, 1983.

The proposals fit in with the principles of the Government's New Training Initiative for reforming training throughout British industry. They were, however, under discussion between the BPIF and NGA long before the Government launched its initiative and before Mr Norman Tebbit, Employment Secretary, decided to abolish 16 statutory industrial training boards, including Printing and Publishing and Paper and Paper Products.

Tradition

The proposals reflect a long tradition of collective bargaining and extensive union organisation in the printing industry. They will be administered nationally through a management-union joint training council, while the responsibility for ensuring that individual apprentices are properly trained will also be shared by management and union at company level.

It is proposed that by June of each year union and management representatives in individual companies will draw up manpower plans determining how many trainees—who can be both young people and existing workers seeking new skills—are required in each job category.

New entrant trainees under the age of 18 will receive 60 per cent of the basic rate for qualified. NGA members throughout their training period and new entrants aged 18 and over 80 per cent of the basic rate. (The pay position of 16-year-olds could change if the Government accepts recommendations from the Manpower Services Commission that all school leavers aged 16 should be treated as trainees and receive allowances for an initial 12-month training period.)

Standards

Established NGA members undergoing retraining will be paid at the rate for their existing skills until they complete their new training.

The length of all training—for both young people and adults—will depend upon the time taken by each individual to reach prescribed standards. Young people will be required to undergo further education for a minimum of one day a week per academic year. Further education will also be provided to older trainees where appropriate.

Progress of trainees will be checked and certified by joint management and union action at company level. Training will consist of an induction module for new entrants, followed by basic skills modules which will be provided for each of the primary occupations in the industry. Skill development modules will then be available for further training and retraining. The guiding principle of the scheme is that the choice of modules will be determined by individual company needs.

Status

While the new scheme is geared to individual performance, unlike the old time-served apprenticeship arrangements, it is likely that a large proportion of young people will achieve skilled status in about two years.

This should ensure the industry a faster, smoother flow of skilled labour. An equally important element of the new proposals is the potential they open up for flexibility in retraining as technology changes.

The BPIF would like to reach a similar agreement with the Society of Graphical and Allied Trades. Progress here has not yet been possible, however, partly because of TUC opposition to the abolition of the statutory training boards.

Belinda Nenck



New technology can be used to take over laborious tasks. Here stock exchange prices are being keyed into a Financial Times computer which then adjusts the yields and calculates variations from the previous day's prices.

Newspapers seek cost reductions

THE NEWSPAPER industry—as printing companies are fond of reminding their customers—is not the same as the printing industry.

In recent years, however, the two industries have, in spite of their different images, shared a common problem—the effects of the recession.

Reductions in advertising—caused partly by the economic climate and partly by competition from other media—have heightened the search for cost reductions in both the national and provincial newspaper sectors.

In Fleet-Street, Mr Rupert Murdoch, a year after buying the loss-making Times Newspapers, demanded further substantial manning reductions from its staff on top of a round of redundancies when he took over the group.

Times Newspapers is also reaching forward with technical developments. This month The Times became the first British broadsheet newspaper to eliminate "hot metal" and convert to a complete photo-setting system.

In the provincial field the Newspaper Society, the provincial publishers' organisation, is this month launching a major readership survey to try to identify and remedy the causes of gradually declining circulations.

Free newspapers, meanwhile, continue to expand—their distribution now exceeds the sale of paid-for weeklies—and the Audit Bureau of Circulations has set up a Verified Free Distribution, a subsidiary company to audit free publications.

The expansion of free publications is not confined to the newspaper field. A rapid growth in free magazines is also taking place. Publishers can, by combining distribution to railway stations, stores, hotels or other specific outlets, offer advertisers heavy access to chosen target groups of readers.

The area opens up opportunities of contract printing for printing companies, since publishers in the free distribution field are not confined to organisations with their own printing capacity.

A FINANCIAL TIMES SURVEY

PACKAGING

August 25 1982

The Financial Times is planning to publish a survey on Packaging in its issue of August 25, 1982. The provisional editorial synopsis is set out below.

INTRODUCTION Packaging, one of the world's biggest but most fragmented industries, is being profoundly affected by the economic recession. High costs and low demand are sharpening competition between rival materials and containers. Since their products are an essential part of the marketing process, packaging manufacturers try to make them even more attractive to the consumer. At the same time, they are constantly under attack from the anti-litter lobbies and face demands for standardisation of containers.

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

A. P.

The days of the dubious sick note could be numbered

Arnold Kransdorff examines the implications of new British regulations

COME next month, sickness is going to add to British industry's bureaucratic burden.

It is then that new regulations come into effect which will have a far-reaching impact on the country's relatively high level of wifful absenteeism.

Although these figures are almost impossible to calculate, government statistics show that more than 4m working days are lost every year through "certified illness."

From June 14, doctors will no longer issue free sick notes to people who are ill for periods of up to seven days, though they will for periods longer than that. Instead, people claiming sickness benefit from the State, which they are allowed to do from the fourth day of illness, will themselves have only to fill in and sign a special Government form—a system known as self-certification (see illustration).

The claimant has to send in the form to his local Department of Health and Social Security office, although it could be done through an employer.

But the new regulations really start affecting employers when a company operates its own sick pay scheme which is usually separate from the State system. In this case there will be a problem of validating illness which lasts between four and seven days.

The employer will have four choices. He can use the standard DHSS form or design one himself, as part of a more rigorous verification process. He can also insist on a private doctor's sick note, for which the employee will have to pay—possibly reimbursable by the employer—or he can trust his employees not to abuse the system and require no formal certification.

The ending of sickness certification by doctors for short periods is the result of several years of campaigning by the

Confusion

This finding emerges from a new poll — conducted at the beginning of this month — of 100 large and medium-sized employers around the country. It found that 19 organisations had not yet made any decision.

If this figure is reflected across the industry as a whole, it means that there will be much confusion when the new regulations come into force.

According to the poll, conducted by Sick Pay Bulletin, a special monthly publication from Incomes Data Services, 57 per cent of respondents had decided in design their own self-certification form. A further 8 per cent had decided to use only the standard DHSS document.

Of the remainder 9 per cent said they were going to use a combination of both the DHSS and their own form and 5 per cent had not yet decided on

New Sickness Benefit Claim Form

also for industrial injuries and invalidity benefits

If injured at work give details of the accident

When did the accident happen? time on day

Where did the accident happen?

Warning: To give false information may result in prosecution

I declare that I have not worked during the period of sickness stated and that the information given is complete and correct. I agree to my doctor giving medical information relevant to doctor in the Regional Medical Service.

Sign here

Tick the box if you have signed on behalf of the person claiming

Remember, if you are unfit for work for more than 6 days, fill in your doctor's form. If necessary he will give you a sick note. Fill in the local social security office to continue claiming.

which form to use. One company said it would be insisting on a private doctor's sick note, and another said it would not require any certificates at all, although employees would have to write a letter explaining their absence.

The organisation planning on using private doctors' sick notes said that employees would not be reimbursed for the cost of the sick note, which could be up to £8. It hoped that the cost would deter employees from absencing themselves unnecessarily.

According to the poll, a large majority of those employers introducing their own forms had decided to have the document countersigned—by a supervisor in 84 cases and higher management in 19 others.

One company said it was making its own form as lengthy as possible to discourage abuse. Almost 10 per cent of the respondents reported that they were experiencing problems with trade unions over self-certification. These included difficulty in getting agreement to self-certification for the first three days, getting agreement on the use of a company form and a refusal to co-operate unless a sick pay scheme was improved.

The Trades Union Congress does not oppose the concept of self-certification but urges resistance to the idea of employers using private medical evidence.

Self-certification is not an altogether new idea in British industry. One of Shell UK's refineries has been using it since 1965 while Reckitt and Colman introduced it in 1977 as an experiment to control short-term absence in one of its north-eastern factories.

* Sick Pay Bulletin, available from Incomes Data Services, 190 Great Portland Street, London W1.

Why managers must break the sound barrier

BY CHRISTOPHER LORENZ

- WHEN someone talks to you, do you:
- look at him (or even her)?
 - pay attention?
 - remain patient?
 - then question him or her to clarify his or her ideas?
 - Or do you:
 - interrupt?
 - jump to conclusions?
 - get frustrated?
 - let your mind wander?
 - lose your temper?



You'll say you're in the first group, of course. But you're probably not, to judge from a new study of how to improve communications between managers.

Though it also reveals what we all knew—that husbands and wives don't listen to each other—its main message is that top managers think they're quite good listeners and communicators, but consider those beneath them to be deficient. It's always someone else's fault.

The study was conducted by Towers, Perrin, Forster and Crosby for Sperry Corporation, the U.S. coglomerate.

Sperry's interest stems in particular from an international advertising campaign and internal training programme it has been running since 1978, with the theme "We understand how important it is to listen."

The reliability of the new survey is somewhat restricted by the fact that it was based on a sample of only two dozen top managers in five European countries. But its results are clearly in line with Sperry's own much broader experience, as Dick Mau, its vice-president for corporate and government relations, indicated at the recent Davos symposium of the European Management Forum, when he presented a batch of "tips for better listening." They include "Listen for ideas, not facts," and "Judge content, not delivery."

Mau continued. Because of poor listening skills, even this small proportion was subject to distortion.

For example, the 500 most commonly used English words had 14,000 meanings. "So if an individual's meaning is not communicated properly, the probability of distortion is very high."

Having employees who are poor listeners is not only an obstacle to personal communications, said Mau, but also translates into losses that can only be guessed at—misplaced orders, confused reports and instructions, lost time, money, productivity, human relations, injuries and law suits.

Participants in the new study all agreed that communication is a key management responsibility, but only 44 per cent said their companies' programmes fully reflected this.

The managing director of a UK manufacturing concern with 7,000 employees admitted: "Our commitment is probably insufficient; it depends on leadership from the top, and I don't have the time to do as much 'walking around' as I'd like. It's the one task I can't delegate."

The respondents were asked whether they believed that communications skills could be enhanced by training, and which skills needed it most. A solid 88 per cent said that training could improve the effectiveness of communications "very

of what they are saying. Our mind has time to wander from the speaker, or pre-judge and analyse. But the most common effect is to lose focus on what the person is saying.

"The reality is that hearing is only a portion of listening. It is only one of the ways in which we receive information. Research tells us that less than half of the information we receive is through our ears. Most is obtained through our other senses—touch, vision, smell and taste. All of our senses are involved in communication."

Sperry offers a number of "tips for better listening," which Mau says have distilled a lot of the wisdom of years of research.

- Listen for ideas, not facts.
- We're not saying that facts are unimportant," said Mau. "We're saying that the good listener doesn't become 'stopped' or overwhelmed by them. While listening, ask yourself—'Why am I being told this information?'"
- Judge content, not delivery.
- Sometimes speakers mumble, or talk in disjointed sentences, or have an unfamiliar accent, or talk too slowly or too quickly.
- A person who speaks charmingly and with great style may actually be saying nothing—or even saying something unpleasant. A person who speaks with an air of great authority may actually be dead wrong. And the unpolished speaker could very well have something tremendously important to tell."
- Listen optimistically.
- How often have you been put off by what sounds like a boring subject?"
- Don't jump to conclusions.
- Sometimes we fail to listen effectively because we're too smart for our own good."
- Concentrate.
- Thoughts break the sound barrier.
- You should use your speed of thought to summarise the speaker's ideas, interpret the choice of words, evaluate the logic and to respond, with a smile, frown, nod or even with a question."
- Keep your mind open and your emotions under control.
- Exercise your mind.
- All too often, we let information go in one ear and out the other. We reject complex material simply because we tend to be mentally lazy."

* Available from J. Peter Hynes, Sperry Corporation, 78 Portsmouth Road, Cobham, Surrey KT11 1JZ, England.

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(If you prefer, you can call John Lowe on Freephone 9161 to discuss your requirements personally.)

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The Higher Education Institutions as a growth point in regional economic development, Sweden, July 2-5. Fee: £175 members, £195 non-members of the International Association of Consultants in Higher Education Institutions. Details from IACHEI-Conference July 1982, University of Lulea, Conference Secretariat, S96187, Lulea, Sweden.

Selling training within the organisation, Uxbridge, July 13. Fee: £110. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex UB8 3PH.

Marketing—a major strategy for marketing today, Brussels, July 5-9. Fee: BF 44,000 members, BF 48,000 non-members of the International Management Institute. Details from Management Centre Europe, avenue des Arts 4, B-1040 Brussels, Belgium.

Second International Conference and Exhibition on Computer Aided Design and Manufacturing Education and Training, CAD ED '82, Manchester, July 19-22. Fee: £185 (plus VAT). Details from Scientific and Technical Studies, Oyez IBC Ltd, Norwich House, 11-13 Norwich Street, London EC4A 1AB.

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THE PROPERTY MARKET BY MICHAEL CASSELL

Crown Agents' calamity

THE SORRY saga of the Crown Agents' extravagant excursion into the world of international property and finance unfolded further this week with the publication of a Home Office tribunal report which has all the ingredients of an excellent novel. It is a story of mismanagement, misjudgment and misfortune: of people who were virtually unaccountable to anyone and yet incapable of fulfilling the ambitious targets which they themselves had set.

The Agents' Australian adventure—only finally concluded this year with the sale of the remaining portfolio to the Australian Mutual Provident Society represented one of its most spectacular mistakes, though the market's subsequent strength led eventually to terms of sale which have left, in isolation, a modest profit.

In 1969, a Crown Agents team with precious little property expertise visited Australia and reported favourably on the prospects for development, particularly in Sydney. The plan—now notified to Ministers or even to the Crown Agents board—was to enter into partnerships with developers. (Capital and Counties was to be one), raise funds to lend to the development company and to share profits arising from schemes.

The method of finance contemplated was to borrow money from around the world, supplemented by local short-term finance, and to phase developments in a way that, at the end of five years, would give the Agents an interest in a total investment of not more than A\$100m (£47m).

The move was seen as a way of generating capital reserves,

of providing a "nest egg" for the future. But major problems arose almost from the start. It soon became clear that the extent of local borrowing would be restricted by Australian guidelines for foreign investors, creating serious problems in raising money.

At the same time, new projects were being started before funds from earlier schemes became available to meet development costs. Tempting opportunities presented themselves, which were taken without adequate assessment, and the tempo of the whole venture accelerated. Inevitably, cash flow problems emerged.

In under one year, the Crown Agents had taken on projects approaching the total which it had originally been suggested should be spread over five years. By the end of 1979, the Agents were committed to finance developments estimated to cost about £42m. Only the intervention of government grants prevented the sale of all properties at a time when the market was in poor shape.

Neither did things go well for the Agents in the UK where, until 1969, its involvement in property had been largely limited to acquiring its own premises. The involvement with English and Continental, originated via Brothers Ramon and Lionel Green, represented the Agents' largest venture in property outside Australia.

The operation expanded from housebuilding into other forms of property development and in 1973, the Crown Agents took advantage of the buoyant property market to sell out to the

Post Office Staff Superannuation Fund for a profit of £14.5m. The housebuilding and property dealing subsidiaries were, however, immediately sold back. It was the continued involvement in the rump of the English and Continental group, which was virtually dependent on the Crown Agents for finance, that was to bring disaster.

Few of the assets of the remaining companies were asset producing and most required large additional expenditure before they could become so or before they could be sold. They were the most risky forms of property to be left with in a time of crisis in the financial and property markets. The Crown Agents were eventually left with losses of over £40m.

A similar loss formed the legacy of the Agents' involvement with the Stern Group which was liquidated in the wake of the property collapse of the early 1970s. By the end of 1973, when the market was getting into deeper trouble, William Stern's group owed nearly £33m to the Agents and in the first part of 1974 another £17m was injected in a vain attempt to help it survive. When it collapsed in June 1974, it owed over £40m to the Crown Agents.

The failure to control lending to the Stern Group—loans amounted to more than 5 per cent of the Crown Agents' total lending—receives the same sharp criticism levelled at many other of the Agents' activities in those heady, far off days when everyone thought that property meant easy money and when many found out, it was not necessarily true.

Another setback for TWC partnership

SOONER OR later, something is bound to go right for the Taylor Woodrow/Sam Chippendale partnership, which has promised much but which so far has built nothing.

Following last month's challenge to its 400,000 sq ft scheme for Eastleigh, Hampshire by the Irish based Roban Group, and the previous scrapping of a town centre development at Leicester, the joint venture's redevelopment plans for the Moores Square area of Portsmouth have been complicated by an alternative planning application from Newprop, a member of the Freshwater Group.

The original idea was that Taylor Woodrow Chippendale would buy the head lease of Newprop's Tricorn shopping centre, remodel and refurbish it and incorporate it into the redevelopment of the adjacent Moores Square area. Negotiations between the two companies, says Barry Judd of TWC, failed in November 1980.

Now Newprop "considers that the current Taylor Woodrow proposals are unsatisfactory and not in the best interests of the City of Portsmouth."

Newprop's proposals, estimated to cost £20m, provide:

- A completely remodelled and refurbished Tricorn with some 123,300 sq ft of retail floor-space;
- The availability of potential expansion space for Woolworth, Littlewoods, C & A and British Home Stores of around 17,780 sq ft;

- New retail space, including a Sainsbury superstore, of 60,000 sq ft;
- Other new retail space of 50,700 sq ft making a 251,760 sq ft total.

Apart from adds to the effect that Littlewoods could account for Newprop's expansion space on its own, the significant difference between TWC's and Newprop's proposals is the former's inclusion of a 150,000 sq ft department store. Selected by the local authority to carry out the development of the Moores Square area, including the Tricorn, in February 1978, TWC obtained detailed planning consent in July 1980. Barry Judd details a long list of legal entanglements since then, ending with revised TWC plans being passed at a Portsmouth planning meeting a little over a week ago and going to full committee on June 16.

Newprop's application is due to be considered a week later. If, too, could be passed. The ball goes back into the DOE's court this autumn when a public inquiry into compulsory purchase orders to consolidate the site is expected to re-open.

That inquiry was adjourned in October 1980 in an attempt to clear up the TWC/Newprop dispute. However, there would seem no need for the DOE to block the development this time. The site area is the same for both schemes and the Portsmouth City Council has the ultimate choice between them.

WILLIAM COCHRANE

Rents still slowing down

WITH institutional allegiance to commercial property now the subject of some fairly intense heart searching, the latest dismal picture on rents will do nothing to support the case for further heavy spending.

Hillier Parker's latest rent index clearly spells out the deepening impact of the recession on market growth and it would be premature to say that the worst is necessarily over.

According to the agents, average rents have fallen still further behind inflation over the last six months and are now rising at their lowest rate for five years.

Even office rentals, which broadly managed to keep in touch with inflation over the last two years, are now declining sharply in real terms.

Averages are precisely that and such generalised conclusions have limited use in a market whose performance especially when the going gets tough—can vary from street to street and building to building.

There is no question, however, that the rental market has deteriorated further as the delayed impact of the country's economic woes finally work through. The situation is not likely to provoke the type of mass desertion which spread through the ranks of fund managers in the early 1970s, given their longer-term perspective and, more importantly, their conviction that the property market remains basically sound.

But there are, at the same time, clear indications that property may well be entering a

less fashionable phase from an investment standpoint and it is already evident that substantial numbers of not insignificant funds have neither bought nor sold anything for some considerable time. It could well be a period for keeping heads down.

Given the prospects for a slowing down in the type of performance to which the funds have recently become accustomed and the chance that a fair proportion of the money which has been hanging over the market will go in search of a more attractive home, could yields—which have in most cases not at all cases looked increasingly unrealistic—begin to ease upwards?

So far, at least, there has been little sign of such a trend and the desire on the part of some fairly determined buyers to grab whatever prime investments do come forward has fringed up yields still further. But the yield gap between prime and secondary has clearly continued to widen.

The most likely outcome is that yields on prime will, in most instances, not begin to move out but that the very definition of prime will narrow still further—something which, at the end of the day, amounts to the same thing.

As for Hillier Parker's latest package. The agents say that overall commercial rental levels have risen by 5.4 per cent over the last half-year, a figure which turns into a 6.8 per cent decline when inflation adjusted and since 1977.

The Investors Chronicle-Hillier Parker rent index for

May also shows a sharp break in the preceding 18-month pattern, with office rental growth—the previous front-runner—being worse and industrial rents—the former laggard—going best.

After inflation is taken into account, the index shows that office rents were 8.2 per cent down over the year to May, although in Scotland alone they managed to show an increase ahead of inflation. Rents in parts of the City of London were almost on a par with the prevailing inflation rate.

Average shop rents in the year to May fell back by 5.3 per cent, with central London continuing the two-year slide. Rents in Oxford Street now stand at only 98 per cent of their May 1980 levels.

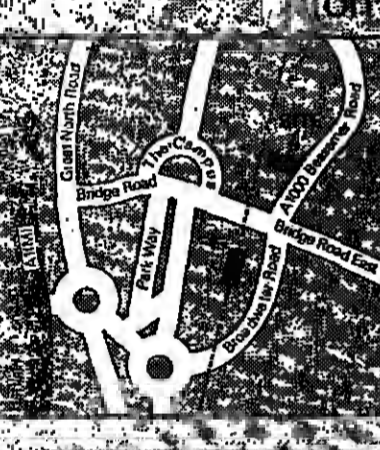
The only bright spot, believe it or not, comes in the industrial sector where rent increases were still 6 per cent adrift of inflation but which, nevertheless, showed their best performance for two years. There was, however, a sharp divide between the south east, where rents grew marginally ahead of inflation, and the midlands and the north where they lagged hopelessly behind.

Any talk of a revival in the industrial market overall may well constitute little more than wishful thinking, but the comparative strength of the market in the south east is not something confined to exercises involving indices. There are signs that parts of the industrial sector—one of the "first indicators of any economic revival—are now back on a growth path.

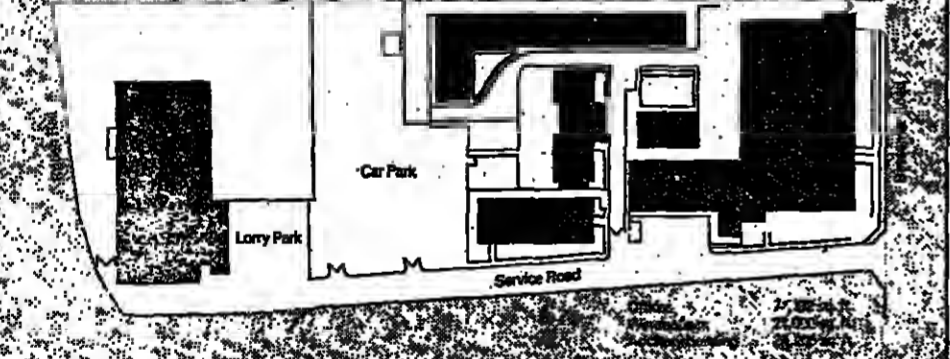
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In brief Heron joint venture at Swiss Cottage

HERON Property Corporation, in conjunction with London and Paris Properties, is to develop a 59,000 sq ft office scheme at the Swiss Cottage civic centre in north London. The development is scheduled for a site which occupies a central position fronting Avenue Road and will cost in the order of £15m. Work should start towards the end of the year.

● Scottish Amicable Life Assurance has paid over £35m for a 224,000 sq ft office building at 801 Travis in the central business district of Houston, Texas.

Completed in 1981, the property was developed by the 801 Travis Partnership on the site of the Mojestic Theatre, close to the Texas Commerce tower in United Energy Plaza and opposite the Texas Commerce Bank. Tenants include Texas Investment Bank, Allied Bancshares, Pennzoil, Texas Crude and American Express. Scottish Amicable was represented by Jones Lang Wootton.

● Scottish Provident Institution has paid around £4.5m for an 80,000 sq ft headquarters office and industrial complex in Gatwick Road, Crawley. The development was built by Heron Trading for its own occupation, which has been advised on all aspects of the sale and lease-back by Michael Laurie. Initial rent of £300,000 a year will provide the fund with a net yield of about 6 1/2 per cent. Strutt and Parker acted for Scottish Provident.

● Electricity Supply Nominees has paid over £5m for King's Close, the 31,500 sq ft office scheme in Aberdeen. Part of the scheme has been let and space is available at rents in excess of £8.25 sq ft. Richard Ellis and Drivers Jonas are letting agents. The scheme was developed by New England (Northern) and F. G. H. Developments (Aberdeen).

● Scottish Widows Fund, advised by Jones Lang Wootton, has paid nearly £1m for the long leasehold interest in 12, New Bond Street let to Janet Reger Fashions. The purchase reflects a yield close to 4 per cent.

● Access is to occupy Premier House, the 48,000 sq ft office building in Victoria Avenue, Southend-on-Sea, which is due to be completed next month by Percy Bilton and Sun Life Assurance. A rental not far short of the asking figure of £230,000 a year was achieved. Brian Cooper and Hugh Murray acted for Biltons and Access were introduced by Rogers Chopman.

● Westminster Property has won planning consent, involving over 180,000 sq ft of office and industrial space, for schemes at Maldstone, Guildford, Bristol and Aberdeen.

● Grant Properties is to develop a 17,500 sq ft net office scheme at Oak Street in Abingdon, Oxfordshire. Listed properties are to be refurbished and there will also be a new building.

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A FINANCIAL TIMES SURVEY
UK PROPERTY
MONDAY 28th JUNE 1982

The Financial Times proposes to publish a Survey on U.K. property. The following topics will be discussed.

- 1. Introduction**
The commercial property market has become more dull during the past 12 months. Rental performance in many areas has been flat. Economic recession has affected tenant demand and lettings have been harder to achieve. Nevertheless, the underlying demand from major institutions for prime property investments remains strong; institutions have become more selective however, about the schemes they are prepared to take on.
- 2. Investment**
Prime property yields have so far shown little inclination to rise, despite the higher rates of return available on gilts and other forms of investment. Secondary property yields have been under greater pressure. Some analysts are beginning to question whether the widening of alternative investment options will reduce the relative attractiveness of commercial property.
- 3. Property shares**
The Financial Times property share index peaked at the beginning of April 1982. Twelve months later it had fallen by 14 per cent relative to the FT-All share index. The equity market has been under greater pressure than has direct investment property. By spring this year the average discount of property shares to net asset values had risen to around 30 per cent, compared with just over 19 per cent a year earlier.
- 4. Offices**
The overall downturn in the market has led to the widening of the gap between the demand for top quality buildings on prime sites and premises in less favourable locations. Increased automation of offices and new developments in the field of electronic communications may upset traditional supply and demand patterns. Regional articles elsewhere in the survey will look at the performance and prospects of individual office markets.
- 5. Retail**
Looks at:
(a) The overall performance of the market place during the past 12 months and the trend for individual retailers to capitalise on the rising value of their property assets.
(b) The special problems facing Oxford Street in London; one of Europe's premier shopping streets.
(c) Retail development. The scope for more town centre development.
- 6. Industrial**
The industrial sector of the economy has been worst affected by the recession. In many parts of the country there are too few tenants chasing too many properties. Lettings are often difficult to achieve; landlords are offering special deals to persuade tenants to take space. The industrial section of the survey will also look at:
(a) The spread of the nursery factory units and the impact of 100 per cent building allowances on this market.
(b) The performance of enterprise zones and the effect these are having on property values.
- 7. Incentives**
This part of the survey will look at the various grants and incentives aimed at encouraging new development. These are provided by a variety of bodies including central government, local authorities and other development agencies. Reference will be made to enterprise zones and industrial building allowances although the impact of these will be covered in more detail elsewhere in the survey. Extra articles may be provided on:
(a) Special efforts to help the inner cities.
(b) Progress made by the two new development corporations established in mastermind the regeneration of former docklands in London and on Merseyside.
- 8. Local authority rates**
These have become an increasing burden in recent years. The impact of rates on property demand and supply.
(a) City of London office market
(b) South East property
(c) West Midlands
(d) North West
(e) North East
(f) South West
(g) Wales
(h) Scotland
(i) Northern Ireland
(j) Republic of Ireland
- 9. The survey will also carry a series of articles analysing the performance of different aspects of property investments and development in various regional markets.**

For further information and advertising details contact:
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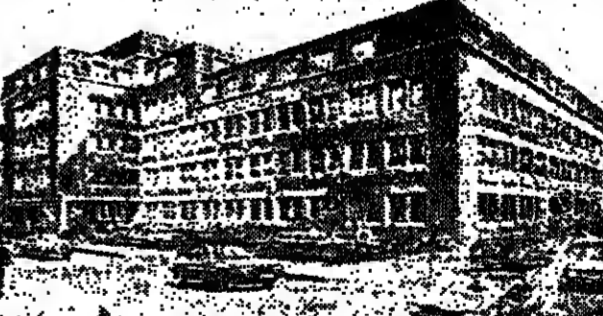
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Telephone: Lisbon 735131 Telex: 12345 GULBEN P

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Offers are invited for the purchase of real estate facing Avenida de Berna in Lisbon, Portugal, at the front of the block comprised between Tenente Espanca and D. Luis de Noronha Streets and located opposite the headquarters and museum premises of the Calouste Gulbenkian Foundation.

The property being sold is owned by the Calouste Gulbenkian Foundation and covers a total area of 3,350 square metres and includes the three buildings now standing on the site, which are also owned by the Foundation.

The building project planned for this site, which has already been approved by the relevant authority, is available for inspection, together with other particulars, at the headquarters of the Calouste Gulbenkian Foundation, "Serviço de Projectos e Obras" (Projects and Works Department), to whom all enquiries for further information should be addressed.

Offers to purchase, together with any alternatives which interested parties may consider appropriate, should be sent to the headquarters of the Calouste Gulbenkian Foundation at the address shown above and marked "Serviço da Presidência," to arrive not later than 4.00 p.m. on the 30th July 1982.

The Calouste Gulbenkian Foundation reserves the right having regard to its own interests not to accept the highest or any offer.

APPOINTMENTS

Two regional directors for NatWest Bank

Mr Noel Stockdale, chairman of Associated Dairies Group, has been appointed regional director of NATIONAL WESTMINSTER BANKS' eastern regional board. Mr Robert Neame, chairman and chief executive of Shepherd Neame, becomes a regional director of the bank's south-east regional board.

Mr Michael T. Ridley and Mr George P. P. Hart have been appointed to the board of the BATH AND PORTLAND GROUP. Mr J. N. Adamson has resigned from the board.

AMPEP, Cleveland, has reconstituted its board. Mr G. T. Gedge is appointed chairman and Mr R. Benton continues as managing director. Mr W. J. Arney becomes financial director and Mr R. E. H. Pew, sales director. Mr Andrew Breach continues on the board and following the retirement of Mr G. T. Sheehan and Sir Deays Hicks, other new appointments are Mr B. G. Shoomith, Mr W. G. Beale and Mr D. J. Highton.

Mr Mike Rose has been appointed managing director and Mr David Longley, national sales manager, to the post of regional director. Mr R. W. Archer has been appointed to the London board of the HALIFAX BUILDING SOCIETY. He is commercial director of Unilever.

Mr D. I. Harrison has been appointed president of THE EQUABLE LIFE ASSURANCE SOCIETY to succeed Mr J. A. Caldecott who continues as a director. Mr R. Leigh-Pemberton has been appointed a vice-president.

MOSELEY HALLGARTEN ESTABROON AND WEDDEN member of the New York Stock

Mr Vincent MacCormac has been appointed managing director of TRANSNATIONAL LIFE INSURANCE COMPANY from deputy managing director.

Mr Les Taylor, director responsible for the northern, south-eastern, and commercial divisions of WADHAM STRINGER, has been appointed deputy managing director of the Group.

Dr Harry McNelly, who is regional community physician and until recently acting medical adviser to the Oxford Regional Health Authority, has been appointed director of medical services in the UK on behalf of the UNITED MEDICAL ENTERPRISES from September 1.

Mr David Brand, at present district manager of BARCLAYS BANK INTERNATIONAL'S Aberdeen branch, has been appointed deputy chief manager at the bank's Old Broad Street branch from August 1.

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CONTRACTS

Major orders for Korean firms

The HANYANG CORP. of Korea has just signed a \$192m (£108.6m) contract with the Saudi Royal Commission of Jubail and Yabouli to build a complete residential complex near Yanbu. Korea's Samwhan Corp has won a \$250m (£138.8m) contract to build major quarters and other facilities at the King Khalid military city.

ALFA-LAVAL GROUP has several orders from the UK dairy industry. For Unigate, the company has been awarded a contract to supply process plant and services for the dairy being built at Marshfield, South Wales. Express Dairies has placed orders with Alfa-Laval for the multi-million-pound cream-processing plant to be built at Staplewood, Somerset; also, from Express Dairies, a contract for Cheddar

and Cheshire cheese process plant being installed at Buryton XT, Towns, Salop. As agents for the Van Ertter Company of Holland, Alfa-Laval has been awarded an order by St Ivel for a Stilton handling plant at the Harby, Leicestershire, factory. The order book includes new process plant for Cliffords Dairies at Bracknell. The total of these five orders exceeds £10m.

TAYLOR WOODROW PROPERTY CO is to carry out a £1.2m refurbishment and extension to Leslie House, an office building within the existing development at 244 High Street North, Poole. Taylor Woodrow has obtained planning consent for an extension of 9,800 sq ft gross, and will also modernise and improve the existing 18,800 sq ft office space.

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A FINANCIAL TIMES SURVEY
ISLE OF MAN
JULY 15 1982

The Financial Times is planning to publish a survey on the Isle of Man in its issue of July 15, 1982. The provisional editorial synopsis is set out below:

Introduction: After a long period of rising prosperity, based on the growth of the Financial sector, the Isle of Man is now looking for fresh areas in which to resume the advance. Changes in the UK have knocked some of the sheen off the economy and plans are being considered in Douglas which would make the island less dependent on outside forces. The election of a new parliament offers a good opportunity to assess the changes that might be made and discuss whether they will bring renewed growth.

Editorial coverage will also include:

- Politics
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- Profiles

Copy date: June 10 1982

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The size, contents and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

MARKS AND SPENCER SUPPLIERS

How close links pay off

By Anthony Moreton, Textiles Correspondent

BY 10 o'clock tomorrow morning Peter Wolff will, as usual, be patrolling round the women's counters of Marks and Spencer's Marble Arch store in the West End.

It can be a hazardous operation. One day a customer, suspecting his motives, turned round and slapped his face. But Mr Wolff was not so much interested in the woman as in what she was buying because his company, S R Gent, of Barnsley, produces 50,000 items a day for those counters—blouses, skirts, dressing gowns and nightwear.

Marks welcomes the attention its suppliers pay not only to their customer, but also to their customer's customers. Indeed, it would be critical of suppliers who believed that none of their business. That partly explains how the group, which has just opened its 257th store in the UK, at Stratford-upon-Avon, posted up pre-tax profits by 22.6 per cent over the past year and saw most of its suppliers back the trend in the textile and clothing industries by turning in good results.

The attention to detail paid by Mr Wolff, who started working life as a photo-journalist with Odnams Press before moving to Marks and Spencer as a trainee manager, is no cosmetic operation. The stint in the store is intended to find out why customers buy or reject his clothes.

"Four years ago we introduced a nightdress that we thought would be a surefire winner," he says. "But watching the customers it was clear something was wrong. Visually they were attracted to it but many of them stuck their hand up the sleeve and then rejected it. It happened four times in an hour and the garments were just not moving. What had happened in my judgment in hacking this nightdress? I thought, 'I went up to the fifth customer and asked her what was the matter. It turned out there was a binding around the sleeve which made it look tight and uncomfortable.'"

has paid off. Gent, a private company which hopes to go public in a year or two, had a turnover of £170,000 in 1981; this year it will be £62m and it is on target for £100m by 1985. Mr Wolff says that profits "have followed those of Marks." Other large Marks suppliers have done equally well. J. Dewhurst, who makes suits, overcoats, trousers and shirts, saw pre-tax profits rise 30 per cent on a turnover 12 per cent higher last year and L. S. & J. Sussman, another private company whose eight plants make shirts and pyjamas for Marks—1.5m shirts alone a year—has managed to ride the recession without any closures.

Corah, the Leicester knitwear concern, produced an 8 per cent increase in turnover last year to £46.5m, achieved against the backdrop of the most severe recession in recent times," according to its chairman, Mr Nicholas Corah, or redundancies.

Where Marks scores, and therefore helps its suppliers, is in its ability to place long runs with them at prices which allow them sufficient margin for profitability. Marks has a little back book in which is printed every margin it expects from each product at each price. The suppliers therefore know where they stand.

The stores group claims that, on average, it takes 30 per cent of the output of its suppliers (it has 700, though this number covers food and all the other lines such as pot plants and pine clocks as well as clothes). But there is no doubt that many of the clothes firms are very tightly linked to it.



Peter Wolff says his profits "have followed those by Marks"

installed a line to hand and pack dresses, without the need to fold them. Dewhurst has put in a washing plant to produce the fashionable washed-out look in casual trousers.

It is sometimes alleged that the heavy reliance some suppliers put on Marks is a danger to their independence. The length of time most suppliers have been with the group—more than 50 since before the war; over 100 for at least 25 years—would seem to refute this allegation.

runs of fashionable goods but Marks goes, it is said, for safety. In the last few years its styles have improved, especially in women's clothes, but it is still far from being a fashion leader.

Marks is also a hard taskmaster. It has built much of its reputation, for instance, on the fact that it unhesitatingly takes back without question any goods a customer wants to return. If, however, that item is returned because of a fault, then the supplier has to pay the cost of the returned item. Marks gets the halo but the supplier has to pull it.

months to two years and sometimes makes cash payments to help a company over a difficult time. "We feel we have a moral obligation to them," it says.

Of those long links, the longest has been with Dewhurst. It was Dewhurst that put the Spencer into Marks and Spencer. Tom Spencer worked for Dewhurst and joined Michael Marks in 1894, paying £300 for a half-share of the Marks' penny bazaar business.

amount of management time," says Mr Edward Stammers, managing director of Salts of Saltaire, an Illingworth Morris subsidiary.

Unlike most stores, Marks has no departmental buyers as such. But it does have a team of scientists, technologists and others—now 330 strong—who are specialists in, for instance, cotton, wool, weaving, dyeing, printing or engineering. (Similarly, outside textiles, it has people who know about egg production and refrigeration).

The research work of these specialists is constantly being passed back to the suppliers. Similarly, any supplier with a problem can call on Marks' vast resources. It can even get help outside direct production matters—distribution or packaging, for instance.

The feedback from the stores is also important. In 1977 Marks decided to test men's suits. Because it could not find a suitable British manufacturer it went to Finland, Italy and Israel for the clothes countries highly advanced in modern suit technology.

The test was a success but, in view of the company's policy of buying British wherever possible, Marks asked Dewhurst to make suits to the same technology.

Lombard Why sterling should join EMS

By Nicholas Colchester

WITH ALL the ingenuity of skilled poker players, Donald Regan, the U.S. Treasury Secretary, and his deputy Beryl Sprinkel have asked their European counterparts to convince them that intervention in the currency markets by central banks—can prevent exchange rates bouncing around in an unacceptable fashion.

Just show us the evidence that intervention works, they say, and we will become active believers. It would be wonderful to call their bluff—and wonderfully difficult. Whether in the foreign exchange or in the commodity markets the idea of smoothing the excesses out of price movements is a pleasant no-man's land blown apart by those at war across it. These are the riggers and distortors on one side, and the leave-market-forces-alone camp on the other.

Thus developing countries and the European farm lobby see price-smoothing as a pretext for holding prices of commodities at an unrealistically high level. As Michael Marks and I were standing in the Newcastle store, says Mr Sandy Dewhurst, chairman of the company, "he asked: How would you like to make suits for us?"

"We were then making men's and boys' shirts and ladies' blouses. We realised it was a risk and a lot of our competitors felt we would fall flat on our faces. But Marks said it was aiming to sell 20m suits a year within three to four years and it seemed too good an opportunity to miss. About a fifth of our turnover now comes from suits."

Letters to the Editor

The Falklands: the future of the islands

From Mr Julian Amery, MP Sir—Your leading article "The future of the islands" (May 26) suggests that at a time when British opinion is returning to some of its traditional vigour you are still suffering from the withdrawal symptoms which have plagued so much of the British establishment since 1956.

Looking ahead, and once British sovereignty has been fully restored, might not Britain play a leading part in promoting a south Atlantic or southern hemisphere community to protect the seas and airways around the Cape of Good Hope and Cape Horn and to help explore and develop the resources of Antarctica? Brazil, Uruguay, Argentina, Chile, South Africa, Australia and New Zealand could all play a valuable part in this.

An imaginative project on these lines might well attract moral and material support from the United States and European Community and offer the islands and the Islanders a more constructive future than the UN trusteeship which you seem to prefer.

Alice in Wonderland asset valuation

From Mr D. Goch Sir—Mr Tomkinson (May 24) defends current cost accounting against the current purchasing power method of accounting presentation preferred by Professor Myddelton on the basis that the former attempt to measure the impact of price level changes on business which are specific to the business. In the context of fixed asset valuations, the CCA guidance notes define this as "the value to the business of the existing asset is the net current cost of a replacement asset which has a similar output or service capacity."

The difficulties which some companies have encountered in attempting to apply this subjective concept to the real-life world of accounting practice have been vividly described in the Lex Column of May 10 and I do not need to expand on this point. It will suffice to say that the nominal roll of conscientious objectors now includes some highly-respected companies—a number of them of undoubted blue-chip status.

Bank charges and commission

From Mr T. Barnes Sir—I read with interest Paul Taylor's article (May 22) on bank charges. What is more disturbing, however, than charges which are part of the standard tariff are those arbitrary charges which, although apparently imposed at the discretion of the branch manager, seem nevertheless to

Wages are too high

From Mr J. Lunt Sir, M. S. Camm (May 18) suggests that some bank clerks may be underpaid. Overall, wages are too high—present inflation tells us that. They seem to be about 91 per cent of output, compared with 81 per cent in 1955, when we never had it so good—unemployment negligible for 20 years running.

There is, however, no way of telling whether it is the nurses or the doctors who are the most overpaid (or is it the miners or the engine drivers?) except the ability and willingness of this man or that to do that job or the other in a really free market—no strikes and no closed shops. No matter how well they are paid there will always be some people who will continue to prefer more work to more leisure, and who is to say they are not right?

Let us at least see to it that there is work for them to do, and that is to be done by controlling the wage level—immediately more PAYE on wage and salary, about 10p should be almost enough, along with an equivalent less tax on industrial profit, not indefinitely, but at least until we get right back to where we were in 1955, our Golden Age, indeed.

Sainsbury's terms of credit

From the Finance Director, J. Sainsbury Sir—While we appreciate the favourable comments made by Lex (May 25) about our performance, there has been no change in the terms of credit we receive from our suppliers. The large increase in our creditors at the year-end arises because of the pattern of our payment dates: the date for a regular weekly payment to creditors fell on the first day of the new financial year 1982-83. Over two years the increase in our creditors is 63 per cent compared with an increase in sales of 59 per cent.

It is an unanswerable argument for Sterling's membership, even if I own up to a dash of poker-playing ingenuity in advancing it.

Another view of a chemical company. Sequence 7



Loredana Naso talking about her father Alfredo, a mechanic with Henkel Italiana.

"Dad could stay with us because he got a job with Henkel."

"There are two things in life that we Italians love more than anything else—our family and the places we come from. The first company my Dad worked for here near Frosinone, where I was born, was relocated to the North one day. The second one was closed. Those were tough times for us. For two years Dad was unemployed. He was just about giving up hope and going to Milan or Torino without us to find work. Then suddenly he saw this job advertised in 'Messagero'. A chemical company called Henkel Italiana was looking for a mechanic. This time we were lucky. Dad got the job. He works in the central workshop. His colleagues admire his technical skill and ingenuity. His pay is good. And what is more, it is secure. So my parents were able to send me to accountancy and book-keeping courses, and—better still—my brother could go to Rome University where he is studying for a degree in electronic engineering. Of course, we're all hoping that he'll be just as lucky as Dad and will also manage to get a good job here in our town."

Henkel Italiana S.p.A., Milan, with plants in Ferentino and Lomazzo, is one of more than 100 companies of the Henkel Group, situated in more than 40 countries. Worldwide sales 1981 = 8.8 billion DM; 34,000 employees. Headquarters Dusseldorf, Federal Republic of Germany. Product range includes laundry products, household cleaners, cosmetics, adhesives, industrial cleaners, oleochemicals, auxiliary products for textile and leather industries. Over 8,000 products for all walks of life.



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Courtaulds recovers to above £50m

WITH THE elimination of unprofitable capacity and better productivity, Courtaulds recovered strongly in the year to March 31, 1982, finishing with pre-tax profits some £46m higher at £51.1m.

The larger part of the increase, some £28m, came in the second half, despite difficult trading conditions continuing in most of the group's major markets. Prices in the UK remained under pressure and, with volume falling by 2 per cent, the value of home turnover for the year declined from £241.5m to £231.6m. Exports also fell from £414.3m to £318.9m. However, overseas sales volume expanded by 10 per cent, taking its contribution to increased total turnover of £1.79bn (£1.71bn) up from £1.506bn to £1.645bn, and allowing the value added per employee to be lifted by nearly 20 per cent.

Boosted by higher sales at International Paints and by materially better results from fabrics, fibres and yarns, at the trading level in the UK the group was able to turn round from a loss of £10.9m to a profit of £16.3m. Added to an overseas contribution of £53.1m (£40.7m) this gave an improved group

trading result of £69.6m (£29.5m).

Above the line, associates gave a further £3.5m (£4.8m), while the charge for interest was reduced from £29.5m to £22m.

Tax took £14.4m (£12.1m) for earnings per 25p share of 6.85p (6.07p) and with a final dividend of 2p the total payment is partially restored from 1p to 3p net at a cost of £8.2m (£7.7m). There were minority profits of £10.8m (£9.5m) and sharply reduced extraordinary debits of £5m (£9.7m) which, after a £4m release of deferred tax this time, resulted in a swing from losses of £114.1m to profits of £17.9m for the attributable balance. On a CCA basis taxable profits are stated at £17m (£24.8m).

The financial position of this manufacturer of man-made fibres, textiles, chemicals, pulp, packaging, paint and plastics again strengthened. Resulting from a small reduction in working capital and proceeds from the sale of assets, there was a cash inflow of £61.5m (£70.4m) and a decline in net debt to £134.2m. Shareholders' funds increased to £403.5m and the ratio of net debt to equity improved to 25.7%. Taxable profits of the sub-

HIGHLIGHTS

Three FT Index constituents reported yesterday. Plessey posted sharply higher pre-tax profits up from £84m to £111m for the year to March 1982, thanks to extremely strong cash flow and good profits from telecommunications. Courtaulds meanwhile has reported profits of £51.1m against £5.1m. The UK has made a substantial recovery and the dividend has been lifted from 1p to 3p. Boots has found the going tough on the retail front but pharmaceuticals performed well with overall group profits little changed at £125m. Finally, Lex looks at the resolutions put to House of Fraser shareholders at the annual meeting next month by Leabro. On the inside pages the offer for sale of 7m shares by Baird Eves comes in for comment. Baird Eves is breaking new ground as the first estate agent to come to the Stock Exchange.

International Paint advanced from £24.8m to £29.8m on turnover of £336.4m (£267.6m) for the year. Earnings are stated over 8 per cent, but margins proved difficult to maintain in depressed trading conditions. Most company's showed improved results, with only the UK and Canada significantly affected by international recession.

The cash position remains strong, despite record capital expenditure, they add. See Lex

The directors report that the volume of sales increased by over 8 per cent, but margins proved difficult to maintain in depressed trading conditions. Most company's showed improved results, with only the UK and Canada significantly affected by international recession. The cash position remains strong, despite record capital expenditure, they add. See Lex

M & G down at midterm

TAXABLE PROFITS of unit trust manager M & G Group fell from £1.96m to £1.52m in the six months to March 31, 1982 partly because the previous six months included the launch of the M & G Gilt and Fixed Interest Income Fund. The directors point out that the group's income does not accrue evenly during the year and does not take account of the results of the life assurance activities. Earnings per 25p share are given lower at 10.74p (13.1p), but the interim dividend is being raised from 5p to 6p net absorbing £245,000 (£250,000). The directors say that in the absence of unforeseen circumstances a final of at least 7.5p will be paid. Last year a total dividend of 12.5p was paid out of pre-tax profits of £3.85m. Tax for the six months took £544,000 (£781,000) leaving net profits of £975,000 (£1.18m).

comment

The previous interim profits of M & G were boosted by the influx of fees from the launch of the Gilt and Fixed Interest Income Fund. But this has been a quiet period all round for sales of unit trusts, with net new sales of £21m against £30m in the comparable period, and the group currently has no plans for any further new issues. M & G has recently put up charges on overseas investments, which at the current rate of growth should add an extra £250,000 in a further 11 per cent to £245m, but this should be seen in the light of the fact that the group last reported on September 30th, when the market was near its low for the year. At 25p unchanged, the shares yield 7 per cent, assuming a maintained final.

Decline at London Sumatra

PRE-TAX PROFIT at London Sumatra Plantations dropped from £9.21m to £5.85m in 1981, though second-half profit, at £4.56m, was little down on £4.85m.

Turnover rose to £20.81m (£18.76m) in Indonesia and £1m (£949,000) in Malaysia. Indonesian trading surplus at £4.4m (£7.62m) was lower, although that for Malaysia was ahead at £406,000 (£327,000). Investment income slipped to £1.03m (£1.25m). A final dividend of 6p net per share, repeating last year's, holds the total at 3p. Earnings per 10p share are given as 33.57p, against 36.29p.

Tax took £1.53m (£2.65m) overseas but provided a £51,000 credit (£787,000 debit) in the UK, for a total of £1.53m (£3.43m). There was an extraordinary debit of £73,000 (nil). The company is 98 per cent owned by Harrison & Crossfield.

Jackson Group profits rise against trend

AGAINST THE trend of declining construction activity, Jackson Group saw profit before tax rise from £780,000 to £945,000 in 1981, on turnover ahead from £17.37m to £17.7m.

The final dividend at this East Anglian civil and mechanical engineering group, whose shares are traded on the market made by M. J. H. Nightingale and Co, is lifted from 2.5p net per share to 3.15p, increasing the total to 5.25p (4.9p). Earnings per 10p share are given as 32.5p (31.8p). Interest took less at £91,000 (£189,500). After dividends of £45,000 (£43,000), retained profit was £776,000 (£801,000).

ORIFLAME

A total of 6,800 applications were received for Oriflame International's offer of 886,634 shares at 60p each. The £5.2m issue attracted around £45m of investors' money. The basis of allocation will be announced as soon as possible.

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Plessey pushes ahead by 32% to record £111m

REFLECTING an "outstanding year" for telecommunications and almost doubled profits from microelectronics and components, pre-tax profits of Plessey advanced by 32 per cent to a record £111.4m in the year ended April 2, 1982.

Sales increased from £244.5m to £263.1m. The proportion of the year was up from £241.5m to £259.2m with profits rising from £23.88m to £32.67m. Exports during the year showed a 26.8 per cent gain to £134.8m. Shareholders are receiving a 12.9 per cent increase in their dividend. A final of 5.073p is proposed taking the net total up from 7.631p to 8.615p per 50p share.

Earnings, before extraordinary items, increased by 31.4 per cent to £70.9m equal to 29.31p (22.55p) per share. At the operating level profits were 16.4 per cent ahead at £100.1m, representing an average margin on sales of 10.4 per cent (10.2 per cent).

The directors report that telecommunications had an outstanding year both at home and overseas. Sales in the home market rose by 15.5 per cent making a worldwide increase of 18.6 per cent. Together with continuing efficiency improvements this resulted in a gain of 36.2 per cent to £54.51m in operating profits.

Microelectronics and components showed a 7.5 per cent gain in sales while profits jumped from £3.3m to £6.3m. The improvement is due equally to the better performance of semiconductors worldwide and the disposal of lossmakers in the U.S.

Sales of electronic systems and equipment rose by 18.1 per cent and profits by 11.5 per cent to £21.95m. The lower margin was due to an increase in new product development programmes to provide for future expansion and to the delivery of old contracts at low margins. Computer peripherals showed improved sales of £27.9m (£25.4m), but here there was a

turnaround from a profit of £2.9m to a loss of £1.8m. The directors explain that there was a marked reduction in demand in the home market and in Europe together with exchange losses.

Interest receivable during the year increased from £7.9m to £22.5m, due to further substantial improvements in cash flow. Cash and deposits rose from £82.5m to £97.5m and the debt/equity ratio has improved from 18.2 per cent to 15.5 per cent. The directors say that the advent of new technologies and products requires continuous rationalisation in many of the group's businesses and provisions against operating profits have been increased from £33.1m to £64.1m.

The group's order book at April 2 stood at £1.23bn compared with £1.23bn a year earlier. The main orders were telecommunications, £495.4m (£502.9m) and electronic systems and equipment £703.7m (£599.6m). See Lex

Boots 2.7% higher at £124.7m

DESPITE a "disappointing" result by its retail division, Boots Company still managed to push its taxable profits up to £124.7m for the year ended March 31, 1982 which was a 2.7 per cent improvement on the £121.4m returned the previous year.

Sales expanded from £1.37bn to £1.49bn, excluding VAT, an advance of 8.3 per cent, but at the trading level profits slipped from £117.7m to £116.6m.

Stated earnings per share rose by 4.6p to 25.7p and an increased final dividend of 5.625p (4.825p) raises the net total by 1p to 8.5p per 25p share. The directors intend to reduce the disparity between the interim and final payments and are proposing to increase the rate to be paid in January 1983 to 3.5p. They point out that this should not be taken as an indication of the payment for the year.

The pre-tax surplus included a share of profits of associates totalling £2.6m (£0.9m), investment income of £3.25p (£4.825p) and a turnaround from an exchange loss of £1.1m last year to a gain of £4.5m. The surplus was also after taking account of interest charges of £2.3m (£2.4m).

Tax took £30.9m (£44.8m), including a prior year overprovision of £5.5m (£5.5m), and minorities £0.6m (£0.4m).

Dr P. T. Main, the chairman, says he believes the company is coming through the recession in a much healthier state and that he is hopeful that the "worst may now be over". A review of trading shows sales of the retail division rose by 10.5 per cent but its profit contribution was down by 17.4 per cent. The directors explain that this was a result of high unemployment, a fall in real disposable income, fierce competi-

tion in the High Streets and a further fall in the profitability of National Health dispensing. However, counter sales by Boots the Chemists advanced by some 8 per cent of which 2 per cent was real growth—price inflation accounting for just over 6 per cent.

The directors say that the group has over 1,400 sites in the UK and overseas and in accordance with a policy of continuously reviewing operations, there is an established pattern of property turnover. This normally gives rise to a net surplus on the disposal of plant which varies appreciably from year to year, and in the year under review £9.2m (£10.0m) is included in group trading profits. See Lex

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre. div. year	Total last year
Allied Leather	0.2	July 19	3.75	5.5
Assoc. Sprayers	0.5	July 6	0.5	1.25
Bankers Inv Yst 4th int	1.98	Aug 27	1.98	13.93
Boots	5.63	July 23	4.63	8.5
Buckley's Brewery	1.65	Aug 2	1.65	2.38
Courtaulds	2	Aug 2	1.85	3
Bertrand Stamping	5.3	July 23	4.4	7.5
Edrue (Holdings)	3	—	Nil	5
Extel	6.5	July 23	5.75	9
Fidelity Radio	0.1	—	0.1	0.1
Foster Bros	2.25	July 23	2.25	3.35
Greenall Whitley	1.71	—	1.63	3.44
Greenall Whitley 'A' int	0.34	—	0.33	0.68
Philip Hill Inv Yst	4.95	July 29	4.3	6.95
Intnl. Pains	3	—	2.55	5
Lido Sumatra Plantns	6	July 9	6	9
M & G	6	July 15	5	12.5
M & G Second Dual	3.58	July 19	3.5	7.8
Modern Engineers	1	July 12	2	3
Plessey	5.07	Jan 2	4.51	8.62
Portland & Strand News	2.5	Aug 4	2.25	3.5
Prince of Wales	1.25	—	1	1.75
RHP	1.25	Aug 13	2	4
Saundhurst	4.42	—	1.29	2.09
Scottish Inv Yst	1.7	July 19	1.7	4.6
Scottish Nat'l Inv Yst	1.15	June 28	1.1	3.43
Spencer Clark	2.1	—	0.4	0.4
Young & Co	2.1	—	2	5.5
Whittington Eng	2.1	Aug 27	2.1	3.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. † Not of less than 7.5p forecast. ‡ Making total of 3.93p for in respect of 18 months to October 31, 1982, against total of 3.93p in preceding 12 months.

Extel GROUP

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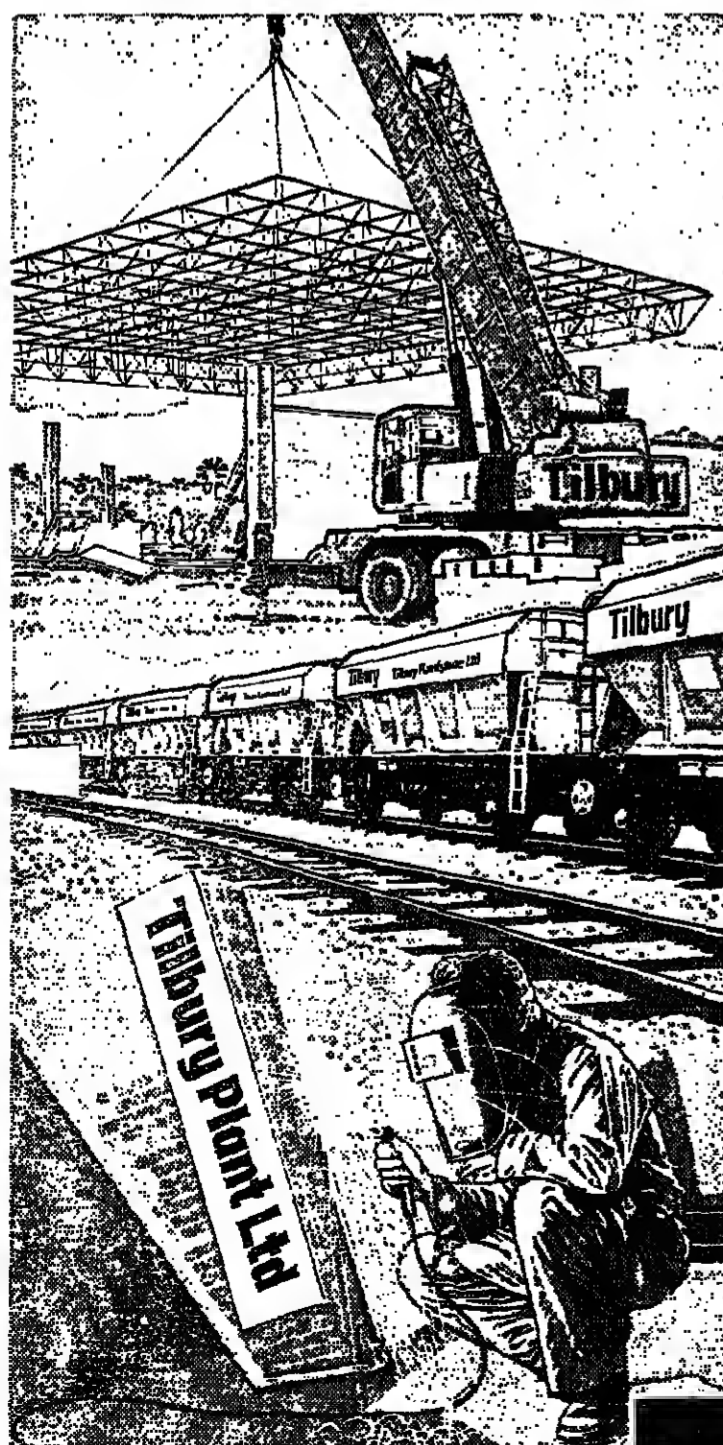
	1982 £000	1981 £000
Turnover	99,186	86,336
Profit before taxation	4,452	3,582
Earnings per share	24.7p	15.3p
Dividends per share	9.0p	8.0p

- Profit increase of 24%
- Dividend increase of 12.5%
- Low taxation charge due to high investment
- Interest charges down
- Good results from all companies

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Patrick Edge-Partington
Chairman, Tilbury Group PLC

Summary of Group Results		
Year ending 31st December	1981	1980
Turnover	£47.32m	£55.73m
Pre-tax profit (loss) before exceptional and extraordinary items	£1.59m	£(0.63m)
Exceptional items	£0.59m	—
Total pre-tax surplus	£2.18m	£(0.63m)
Earnings (loss) per share	81.76p	(41.88p)
Dividend per share	25.00p	22.38p
Net assets per share	642p	588p

Despite a 15% reduction in turnover due to the continued recession, an advance in trading profit of over £2.2 million was achieved. An increase in the final dividend to 19p (16.38) is recommended, together with a one for two scrip issue.

For the Chairman's Statement and Annual Report please apply to: The Group Secretary, Tilbury Group PLC, Tilbury House, Rusper Road, Horsham, West Sussex RH12 4BB. Telephone: Horsham (0403) 69031

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BIDS AND DEALS

Battle flares again in Lonrho and Fraser camps

BY JOHN MOORE, CITY CORRESPONDENT

A NEW fight broke out yesterday between House of Fraser, the Harrods store group, and its largest shareholders, Mr Roland "Tiny" Rowland's Lonrho which has a 29.99 per cent stake. Lonrho has asked for two resolutions to be put before Fraser shareholders which Professor Roland Smith, chairman, and the other Fraser directors have said will "limit the freedom of action" of the Fraser board if they are passed. Professor Smith hit back at Lonrho as it began its third proxy battle in two years. "I think Mr Rowland and Lonrho are behaving very irresponsibly as shareholders," Lonrho mounted two earlier proxy campaigns in an effort to gain more influence over the group's affairs. The first ordinary resolution Lonrho has put down for consideration at the Fraser annual general meeting is: "That the sanction of the ordinary shareholders of the company should be a condition precedent to any issue of shares or other relevant securities of the company, and therefore conditionally upon the passing at this meeting of a resolution giving the directors authority under section 14 of the companies act 1980.

"Such authority is hereby varied by making it a condition thereof that the directors may exercise any power of the company to allot shares or other relevant securities (as defined in that section) only with the prior sanction of the company in general meeting authorising in particular exercise of that power." Professor Smith said that this resolution seemed to be a device to stop Lonrho's shareholding from being diluted through any future issue of shares. Under the Monopolies and Mergers Commission ruling and the ruling of the Secretary of State for Trade, Lonrho is prevented from making its stake to over 30 per cent. In a circular to Fraser shareholders Professor Smith says that the effect of this resolution would be to override Fraser's own proposed resolution. Contrary to common practice, the directors' right to issue unissued shares could be restricted. The Lonrho move could prevent the Fraser board from taking advantage of favourable acquisition opportunities which may arise in the future. The other ordinary resolution from Lonrho is: "That... ordinary shareholders shall be

given the opportunity to consider any offer or proposed offer which might be made for their shares from any source." In the circular to Fraser shareholders, Professor Smith says that Lonrho appears to be seeking to impose responsibilities on your board, additional to those in the City Code on Takeovers and Mergers. Under the Code, the board has a duty to inform shareholders when it has been notified of any firm intention to make an offer from a serious source... The circular continues: "Your board would naturally comply with this duty." In the board's view this Lonrho resolution is "inappropriate and should be rejected." House of Fraser's own resolutions, which Lonrho is seeking to override through its own terms of business on the agenda, are special resolutions requiring a 75 per cent majority of those voting. Professor Smith said yesterday that he had not received any indication from Lonrho whether it would be opposing those resolutions. Lonrho itself would not comment yesterday of any of its moves in the Fraser boardroom.

Courtaulds expands U.S. presence

TEXTILES GROUP Courtaulds is to establish a company, to be called Courtaulds U.S. Developments Inc, in association with Mr Edward E. Barr, former president of Sun Chemical of the U.S. The new venture will acquire companies in the specialty chemicals industry and other related fields. It intends to build a substantial U.S. based operation by acquiring companies with strong products which require increased capital and support from a group with worldwide interests. Mr Barr said: "Courtaulds will provide the bulk of the capital for the new company, which will be run separately from the group's other U.S. activities, which currently achieve annual sales of more than \$400m." It will be based in Fort Lee, New Jersey. Mr Barr has more than 20 years experience of specialty chemicals.

Sketchley to buy 61.5% of Rentex Servs.

Sketchley has entered into a stock purchase agreement with the shareholders owning about 61.5 per cent of Rentex Services, a U.S. linen rental company, who have agreed to sell their shares to Sketchley for US\$13 each in cash. These shareholders have agreed to sell subject to the fulfilment of a further agreement under which Rentex will merge with a U.S. subsidiary of Sketchley. The deal, worth a total \$13.6m (£7.6m), requires approval by the shareholders of both companies and U.S. anti-trust clearance. The acquisition will be financed by a \$10m medium-term loan facility provided by International Westminster Bank and from Sketchley's existing cash resources.

Carpets Intl. proceeds with sell-off

Mr James Carpenter, chairman of Carpets International, said at yesterday's annual meeting in Kidderminster that negotiations were proceeding towards a sale of part of the company's Dean Clough business in Halifax. The closure of the whole business seemed certain earlier this year, as part of the group's continuing reorganisation in both Halifax and Kidderminster. An approach was received from the Coates family which originally owned Dean Clough. Despite some disagreement over how much of the plant and equipment would be included in the sale, Mr Carpenter said negotiations had proceeded well and he would not be long in announcing a successful conclusion.

Wigfall £4m portfolio disposal

Henry Wigfall and Son is selling a substantial portfolio of rental accounts to Visionaire for over £4m in cash. Improving the company's borrowing position, the net proceeds from the sale of rental accounts the net book value of the rental assets concerned. It is anticipated that borrowings will be reduced further through the sale of surplus retail outlets and their stockholdings, and that, following the disposal of these outlets, the remaining operation will be materially improved.

C. H. INDUSTRIALS Technicat Car Care, the vehicle re-finishing specialist, has been taken over by the C. H. Industrials Group, which has widespread interests in the motor industry. C. H. Industrials' acquisition of a 51 per cent stake will boost Technicat's expansion plans by giving it access to finance.

BPCC expects better results

THE BUSY acquisition programme being pursued by British Printing and Communications Corporation (BPCC) was yesterday explained to shareholders by Mr Robert Maxwell, BPCC's chairman. Speaking at the annual meeting, he said that the success of the company's revival to date had yielded profits of more than £2m in the first four months of 1982. "We therefore expect results for the year to be substantially better than last year," said Mr Maxwell, whose privately owned Pergamon Press took a 77 per cent stake in BPCC last April and who has since then guided the company back from the edge of receivership.

Mr Maxwell said major consolidation moves and redundancies had reduced BPCC's costs by about £900,000 a year and rescued the company from a vicious spiral of inadequate capital resources and insufficient investment in new plant. So far this year, BPCC had spent £2m on redundancy costs and £7m on capital investment. Nevertheless, he said, BPCC still urgently needed new orders to meet its operating capacity. The chairman said BPCC would accept John Menzies' offer of 67p per share for its 10.88 per cent stake in Lonsdale Universal, the office equipment and printing group. BPCC had itself been "seriously considering" making

a higher offer for Lonsdale but had been pre-empted. Mr Maxwell also confirmed that BPCC had withdrawn any interest in buying parts at Woodrow Wyatt Holdings because the receiver had indicated his intention of holding a Dutch auction. Referring to the printing plant at Park Royal, Mr Maxwell said: "I hope to be announcing some progress soon or else there is no future for that factory and it will have to shut down." Mr Maxwell professed himself "optimistic we shall be able to restore dividends fairly soon." BPCC's shares closed up 1p at 34 1/2p.

Causton £3m bid for Welbeck

Sir Joseph Causton and Sons, the printing, packaging and publishing group, yesterday emerged as the party interested in Welbeck Investments, with an offer worth £3m. Welbeck, which has printing, textiles and book retailing activities, said last month that an approach had been received. Causton has offered nine of its own ordinary shares and £200 in cash for every 10 Welbeck ordinary shares, valuing Welbeck at 55.25p a share. The director of Welbeck and their financial advisers, Robert Fleming, consider the terms to be fair and reasonable and will recommend acceptance. The directors plan to accept in respect of their beneficial holdings of 117,334 shares, or 22 per cent. The trustees of the Charles Wolfson charitable trust have given irrevocable undertakings in respect of 1,624,198 shares, amounting to 28.9 per cent. The trustees have agreed to retain 778,500 new Causton ordinary shares, amounting to 4.9 per cent of the enlarged share capital, and accept a cash offer for the balance. With the exception of these shares Robert Fleming have underwritten the

deal at 29p for each new Causton's share. The merger will lead to Causton "moving up a rung in size," according to Mr Christopher Bland, the chairman. The enlarged group would have a combined annual turnover of more than £22m, shareholders' funds of around £6.3m and about 15.9m fully-paid ordinary shares on issue. Causton's main interest in Welbeck is its chain of five Claude Gill bookshops, four of which are in the West End of London. These could become outlets for Causton's Hunky-dory range of stationery and for its hardback book trading business. Retailing offers attractive margins, generates a good cash flow and requires relatively little capital investment, Mr Bland said. Welbeck's printing and paper merchandising activities also fit in well with Causton's business, he said. Its textile operations, which account for more than half its turnover, are understood to be less interesting however and they may be disposed of eventually. On the offer becoming unconditional, two Welbeck directors, Mr Henry Prevezer, executive chairman, and Mr

Michael Teacher, would be invited to join the Causton board. Welbeck shareholders thus have a 30 per cent stake in Causton. Causton yesterday announced pre-tax profit down from £632,000 to £528,000 in the half-year ended March 31, on turnover of £5.34m (£5.53m). It will pay an unchanged interim dividend of 0.235p and proposes an unchanged final of 1.35p. The outlook for its packaging, stationery, publishing and specialist book printing businesses is encouraging, though the market for commercial colour printing is still depressed, and long-term prospects are good, it said. Causton's shares closed 1p lower at 31p, while Welbeck rose 8p to 50p.

SHARE STAKES British Steam Specialities - UK Temperance General Provident Institution holds 830,000 ordinary (8.7 per cent). Pengtalen - Fairford Investment has purchased 165,000 shares (10.3 per cent) as of May 17 1982. Fairford had no interest in shares of company prior to that date. After the meeting, Mr Robert Corroon, chairman of Corroon and Black, the U.S. insurance broker which holds 20 per cent of the shares in Minet, said that his group was not involved in takeover talks with Minet. On the London stock market yesterday shares of Minet Holdings closed at 152p, valuing the group at £88.4m.

Minet chief quizzed on rumours

Mr John Wallrock, chairman of Minet Holdings, the insurance broker with large Lloyd's of London interests, was asked at yesterday's annual general meeting to indicate whether the company had received any official or unofficial approaches following a spate of takeover rumours. He replied: "If there was anything that I or the board knew

of significance under the present rules I would have to make an announcement." With regard to an unofficial approach, the chairman said: "I cannot make any comment at all upon that. If there was anything of significance we would have to make an announcement to the Stock Exchange."

John Moore



Results for 1981/82

Preliminary Results for the Year ended 31st March 1982

	Year ended 31st March 1982 £m	Comparative figures of prior year £m	% Change
Sales (excluding VAT)	1,487.4	1,373.8	+8.3
Trading profit	116.6	117.7	
Share of profit of associated companies	2.6	0.9	
Profit before taxation	119.2	118.6	+0.5
Taxation	(30.9)	(44.8)	
Profit after taxation	88.3	73.8	+19.1
Minority interests	(0.6)	(0.4)	
Profit before extraordinary items	87.7	73.4	+19.5
Extraordinary items	(2.6)	(2.2)	
Profit attributable to shareholders	85.1	71.2	+19.7
Dividends	(30.8)	(27.2)	
Profit retained	54.3	44.0	+23.4
Earnings per share	25.7p	21.1p	
NOTES:			
1. The taxation charge consists of:			
UK charge for the year	30.5	40.8	
over provision prior year	(5.5)	(1.5)	
Overseas	5.3	5.2	
Associated companies	0.6	0.3	
Total	30.9	44.8	
2. The profit before taxation as shown by current cost accounts prepared in compliance with SSAP16 is £81.7m (1981, restated, £93.8m).			

DIVIDENDS

The Directors have proposed a final dividend of 5.625p per share (4.625p last year) which amounts to approximately £20.4m and will be paid on 22nd July 1982 to shareholders registered on 18th June 1982. When added to the interim dividend of 2.875p already paid, the total for the year becomes 8.5p per share (1981 7.5p per share). The Directors intend to reduce the present disparity between interim and final dividends and therefore propose to increase the rate of dividend to be paid in January 1983 to 3.5p per share. This should not be taken as an indication of intention regarding the total payment for the year.

COMMENTARY

Despite the severe economic recession in the U.K. and in many parts of the world in which the Company operates, sales increased by 8.3% and Group profits also improved by 8.3m, 2.7%. The Retail Division has not had a really easy year with sales up 10.5% but profits down by 17.4%. High unemployment, a fall in real disposable income, fierce competition in the High Street and further fall in the profitability of National Health dispensing explain this disappointing result. The key Christmas trading period, the importance of which was stressed at the half-year, was badly affected by the severe winter weather. Nevertheless, counter sales by Boots The Chemists increased by just over 8% of which 2% was real growth, price inflation accounting for just over 6%. This was about half the level of the increase in the national retail price index. The Company has continued to bear a heavy burden of cost increases - particularly generous are those in rates and in public sector charges. Encouraging progress has been made in retailing in Canada, and trading losses there have been further reduced. Modest profitability is expected to be established in 1982.

The Industrial Division has continued to make substantial progress as anticipated in the interim report, increasing its profits by 16.5%. Pharmaceuticals have performed well in the U.K. and in many overseas countries. It is particularly pleasing to be able to report that our own brand of ibuprofen, known as Eralen in the U.K., has been launched by our company, Boots Pharmaceuticals, Inc, as Rufen in the U.S.A. and early results are encouraging. The consumer products business within Industrial Division has continued to expand at home and overseas and is seen as an area for strategic growth not only through our own retail outlets but through the marketing of consumer products to third parties in this country and abroad. A feature of the Industrial Division's business is the growing importance of the subsidiary and associated companies overseas. The Company has over 1,400 sites in the U.K. and overseas, and in accordance with a policy of continuously reviewing operations, there is an established pattern of property turnover. This normally gives rise to a net surplus on the disposal element which varies appreciably from year to year, and in the year under review £9.2m (1981 £5.0m) is not included in the Divisional results but is included in Group trading profits. The Board agreed last year to increase the level of the Company's contribution to the Pension Fund. The cost of this additional support was £5.1m in the year. In his statement to shareholders, Dr E.T. Main, the Chairman, says that despite the problems of this year he believes that the Company is coming through this recession in a much healthier state and he is hopeful that the worst may now be over.

The Boots Company PLC

The Boots Company PLC, Nottingham NG2 5AA.

US\$75,000,000 Guaranteed Floating Rate Notes due 1983

Lloyds Eurofinance N.V.
(Incorporated in the Netherlands with limited liability)

Guaranteed on a subordinated basis as to payment of principal and interest by

Lloyds Bank plc
(Incorporated in England with limited liability)

In accordance with provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank plc, and Citibank, N.A., dated May 26, 1976; notice is hereby given that the Rate of Interest has been fixed at 14 1/2% pa and that the interest payable on the relevant Interest Payment Date, November 30, 1982, against Coupon No. 13 will be US\$76.85.

May 28, 1982
By: Citibank, N.A., London, Agent Bank

US\$120,000,000 Guaranteed Floating Rate Notes due 1984

Citicorp Overseas Finance Corporation N.V.
(Incorporated with limited liability in the Netherlands Antilles)

Unconditionally guaranteed by

CITICORP

In accordance with the terms and conditions of the above-mentioned Notes and the Agent Bank Agreement dated as of November 28, 1979, between Citicorp Overseas Finance Corporation N.V. and Citibank, N.A., notice is hereby given that the Rate of Interest for the first one-month sub-period has been fixed at 14 1/2% per annum and that the interest payable for the first one-month sub-period in respect of US\$10,000 nominal of the Notes will be US\$133.49. This amount will accrue towards the interest payment due August 31, 1982.

May 28, 1982
By: Citibank, N.A., London, Agent Bank

Brixton Estate

International investors in commercial property

Annual Report 1981

- 69% increase in investment profit.
- 33% increase in proposed net dividend.
- Net asset value in excess of £120 million.
- Funds available to finance all current commitments.

	1981	1980
Net Rental Income	£12,305,000	£10,555,000
Investment Profit	£6,134,000	£3,638,000
Value of Investment Properties	£197,000,000	£171,000,000
Earnings per Share	5.15p	4.33p

Copies of the Report and Accounts for 1981 may be obtained from The Secretary, 22-24 Blythe Place, London, EC1N 6TG.

Companies and Markets

MINING NEWS

Inco wage deal faces rejection

BY KENNETH MARSTON, MINING EDITOR

CANADA'S Inco, the world's leading nickel producer, has announced details of its wage offer for a new three-year agreement for the important Sudbury, Ontario, operations.

Incorporating a cost of living allowance the offer on the basis of current inflation rates will result in wage increases of 10 per cent by the end of the first year, 13.5 per cent by the end of the second and a further 11.5 per cent by the end of the third year.

Monthly pension benefits will be improved by 25 per cent and there will also be increases in sick leave and accidental benefits. Mr Winston K. Newman, president of the company's Ontario division said that the offer "will protect employees against inflation and will provide much higher wages and pensions."

However, this has cut little ice with his union leaders who have recommended their 10,000 members in Sudbury and Port Colborne to reject the offer at today's voting. The existing wage contract expires on Monday.

If the vote results in a strike at Sudbury, Inco could maintain metal deliveries for some time by drawing upon its stocks. Last month Mr Charles F. Baird, the

chairman, pointed out that surplus nickel stocks amounted to some 150m lb. Nickel deliveries in the first quarter of this year amounted to 7m lb.

As with all nickel, copper and platinum producers, Inco has been hard hit by the economic recession. After making a profit of US\$219.4m (£121.5m) in 1980 the company ran into the red last year for the first time since 1932 and a final quarter loss of \$509.8m left it with a net loss for the year of \$469.5m.

The 1981 final quarter debit included provisions totalling \$469.6m for the closure of the operating Guatemalan nickel operation and the sale of the unsuccessful ElectroEnergy battery subsidiary. Having cast off these unprofitable interests Inco made other economies and concentrated on its low-cost operations in Sudbury.

However, there was a further net loss of \$37.2m in the first quarter of this year despite an improvement in metal sales.

Inco has now announced the signing of a letter of intent to sell the Exide Electronics business, one of the three which are owned by ElectroEnergy, to private investors and management backed by financial institutions. Last year Exide Electronics had sales of some \$75m.

LONDON TRADED OPTIONS

May 27. Total Contracts 1214 Calls 1046 Puts 168

Table with columns: Option, Ex-price, Closing offer, Vol., Closing offer, Vol., Closing offer, Vol., Equity close. Lists various options like BP (a), BP (b), BP (c), etc.

Concern for Canada's productivity rates

"ANAEMIC ACTIVITY" is the fundamental weakness of the Canadian economy, according to Mr David D. Thomas, the retiring president of the Mining Association of Canada, reports John Soganech from Toronto.

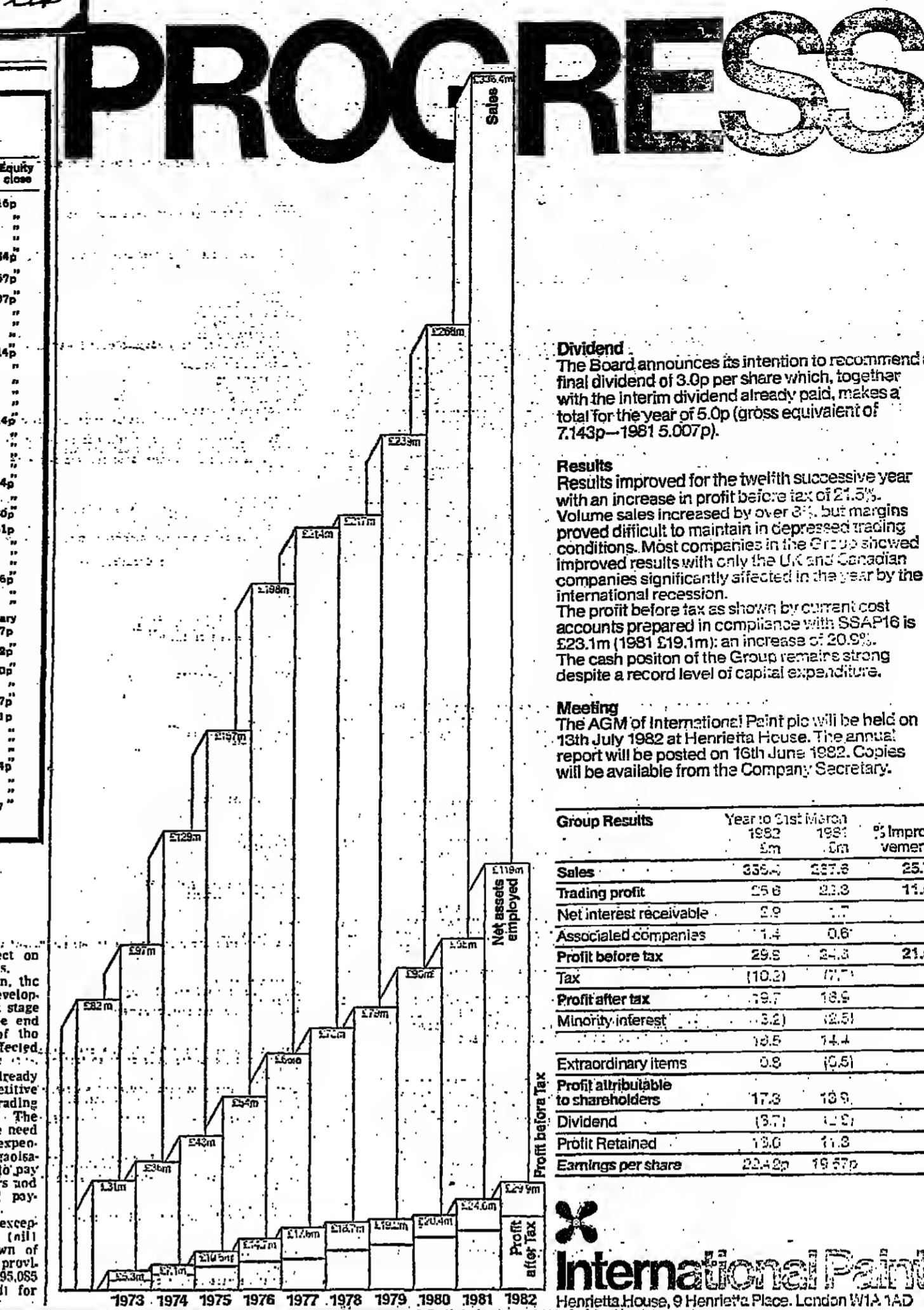
Mr Thomas told the association's annual meeting that Canadian mining companies have traditionally enjoyed good productivity rates, but now "the particularly challenged by the current economic climate."

Table with columns: Price, + or -, - or -. Lists various stocks like May 27, BHP, BHP, etc.

Aero Needles losses deepen to £557,000

TAXABLE LOSSES of Aero Needles Group jumped from £187,000 to £557,000 in 1981, on roughly maintained turnover of £8.4m compared with £8.34m, and dividend payments are again being missed.

Mr Frank Cole, appointed chairman in October 1981, says that the group's objective of retaining its market share during 1981 was retarded by continuing production problems relating mainly to commissioning of anodising and effluent plant.



Dividend The Board announces its intention to recommend a final dividend of 3.0p per share which, together with the interim dividend already paid, makes a total for the year of 5.0p (gross equivalent of 7.143p—1981 5.007p).

Results Results improved for the twelfth successive year with an increase in profit before tax of 21.5%. Volume sales increased by over 3%, but margins proved difficult to maintain in depressed trading conditions.

Meeting The AGM of International Paint plc will be held on 13th July 1982 at Henrietta House. The annual report will be posted on 16th June 1982. Copies will be available from the Company Secretary.

Table with columns: Group Results, Year to 31st March, 1982, 1981, % Improvement. Rows include Sales, Trading profit, Net interest receivable, etc.

International Paint Henrietta House, 9 Henrietta Place, London W1A 1AD

Articles of Association of the Company contain provisions, inter alia, to the following effect: (a) Variation of Class Rights... (b) Voting Rights... (c) Dividends... (d) Directors... (e) Contracts... (f) Service Agreements...

(a) For the acquisition by the Company of the undertaking of BEES... (b) The Company shall be a company limited by guarantee... (c) The Company shall have the power to borrow money... (d) The Company shall have the power to issue debentures... (e) The Company shall have the power to sell its undertaking... (f) The Company shall have the power to alter its memorandum and articles of association...

Application form for Bairstow Eves PLC. Includes sections for 'APPLICATION FORM', 'EXAMPLES OF AMOUNTS PAYABLE AT 45p PER SHARE', and 'JOINT APPLICANTS'. Contains instructions for applicants and a section for signatures.

Nafinsa's U.S. credit rating lowered

By DAVID LASCELLES IN NEW YORK

THE CREDIT standing of National Financiera the Mexican Government-owned bank, has been reduced by one of the New York credit rating agencies...

U.S. bank sees \$9m loss on Drysdale

By Our Financial Staff

MANUFACTURERS Hanover, holding company for the third largest New York bank, expects to incur a net loss of \$9m as a result of securities transactions with Drysdale Government Securities...

The loss, disclosed in a registration statement filed with the Securities and Exchange Commission, would be reflected in its second quarter earnings this year, the bank said.

Tosco fights off proxy challenge

By David Lascelles in New York

TOSCO, the Los Angeles energy company, has successfully fought off a proxy challenge by Mr Kenneth Good, a Colorado businessman who wants to install his own management team.

Visa growth

WORLDWIDE card payments volume of Visa International, the U.S.-based payments systems group, increased by 23.5 per cent to \$1.8bn last year.

Judge rules in favour of BASF acquisition

By Our New York Staff

BASF, the largest West German chemical company, appears to have emerged victorious from a three-year battle with the U.S. anti-trust authorities over its acquisition of a pigments business.

An administrative law judge at the Federal Trade Commission has ruled that the acquisition was not anti-competitive as the FTC had claimed, and was not therefore illegal.

BASF bought the business in 1979 from Allegheny Ludlum Industries through its U.S. subsidiary BASF Wyandotte. At the time, the agency was one of the largest of its kind in the U.S.

However, the judge has rejected that contention. He ruled that while the two companies "on the surface" might seem to have a large share of the market, there were still enough competitors to dispel any notion that the market was in danger of becoming more concentrated.

Any charge that the acquisition was illegal would have to be based on more than just the resulting market share, he said. BASF-Wyandotte said yesterday it was pleased by the ruling. "For the employees of the pigments business, this decision removes doubts about their future as part of BASF Wyandotte Corporation," it said.

Furness Withy propped by offshore growth

By Andrew Fisher, Shipping Correspondent

FURNESS WITHY, the UK shipping and offshore group owned by Orient Overseas Container (Holdings) of Hong Kong, turned in a slightly lower pre-tax profit for last year of £11.4m (\$26m) against £13.1m.

"The UK company, which said it planned to order a new £24m container ship for the South American trade, was not too hopeful about 1982 prospects.

"The indications are that shipping results will be even more gloomy this year, but group profits should benefit progressively as new offshore units come into service," Mr Brian Shaw, Furness Withy's chairman, said.

Offshore activities provided most of the 1981 profit. In the past two years, new investments approved for the Houlder Offshore subsidiary have exceeded £80m.

"In shipping," said Mr Shaw, "the year began badly and got worse." Turnover of Furness Withy - its Hong Kong parent is part of the C.Y. Tung group - rose from £235.8m to £259.1m. Trading profits fell from £16m to £11.4m, of which nearly all was contributed by the offshore side.

Despite the growing profit contribution of Furness's offshore activities, group profits are expected to be heavily weighed down by depressed shipping markets. "We do not expect offshore profits to grow sufficiently to make up the difference in 1982," Shipping companies around the world were suffering from the glut in tankers and bulk carriers, he added.

U.S. QUARTERLIES

Table with columns: Company Name, 1981-82 1980-81, Revenue, Net profit, Net per share

EDISON BROTHERS STORES

Table with columns: Metric, 1981-82 1980-81

MSI DATA

Table with columns: Metric, 1981-82 1980-81

SYNTEX CORPORATION

Table with columns: Metric, 1981-82 1980-81

Surprise resignation by Venezuela's credit director

By PETER MONTAGNON, EUROMARKETS CORRESPONDENT

SR CESAR AGUADO, Venezuela's Director of Public Credit, has resigned abruptly in the middle of negotiations for a large credit in the Euromarkets.

Mr Aguado is one of the country's key officials for dealing with foreign bank lenders to Venezuela. Government sources said yesterday in Caracas that he would be leaving his post on Monday.

They said his resignation was submitted for "personal reasons" which have nothing to do with either work in general or current credit negotiations in particular. He will be returning to a position in Banco Provincial where he worked before taking up his present post.

International bankers were taken by surprise at the resignation news. They said they were unaware of it at a meeting held among themselves on Wednesday in Frankfurt to discuss Venezuela's proposed \$8bn to \$2.5bn credit.

Similarly, the Venezuelan government is not empowered to transfer some of its reserves to Argentine banks, they said. Bankers attending the Frankfurt meeting said there was enough support for the Euro credit to go ahead, despite the lukewarm response of European banks. The amount was, however, likely to be \$2bn rather than the \$2.5bn first suggested.

There was also a feeling that the credit should not be delayed just because of the Falklands crisis as this might last for some time, and quite a large number of short-term public sector loans are falling due for refinancing.

Venezuela has not yet identified which of these loans should be refinanced through the Jumbo Eurocredit. A portion of them could be loans in domestic currency. Drawing up the list could be a lengthy process, but the banks will certainly want a clear picture before proceeding with the credit arrangements.

But the Venezuelan sources said the funds raised by the credit would be used exclusively to refinance existing short term credits to public sector for Venezuela. It would be illegal for Venezuela to divert the funds to Argentina without congressional approval, they said.

World Bank raises bond offer

By OUR EUROMARKETS CORRESPONDENT

THE World Bank has raised \$400m in a whirlwind operation in the New York bond market. Led by First Boston, the 14 1/2 per cent issue was raised from an original \$300m almost as soon as it was launched in the Euro market in favour of the concept of a bought deal has been used in the Yankee market. It follows adjustments to the registration procedure for domestic issues adopted recently by the Securities and Exchange Commission.

The regulations allow individual issues to be brought to the market without prior registration. They do not apply to the full range of non-domestic issuers in the New York market, but development banks such as the World Bank are able to benefit.

First Boston priced the 10-year bonds at par. The issue led yesterday to some switching out of World Bank issues in the Euro market in favour of the new bonds, but otherwise trading in fixed interest Eurobonds was quiet.

Elsewhere the Mortgage Bank of Denmark is raising \$100m through a 10-year floating rate note bearing a margin of 1 per cent over six-month London inter bank offered rate. (Labor) and led by Manufacturers Hanover. The notes, which are priced at 101 1/2, bear an unusual feature

in that each note carries a warrant allowing the holder to purchase the same amount of 14 1/2 per cent bonds due 1990 at par.

Texas Eastern's \$60m, 15 1/2 per cent issue has been priced early at par by Dillon Read after an exceptionally good reception but the \$30m Kollmorgen convertible issue was withdrawn by Merrill Lynch because of market conditions.

Mexico's Banca Serfin is raising \$30m through a seven-year floating rate note with a margin of 1 per cent over six-month Labor. The notes, which are led by Morgan Guaranty, bear an issue price of 98 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday June 16.

Table with columns: U.S. DOLLAR STRAIGHTS, Issued, Bid, Offer, day week Yield, Change on

Table with columns: OTHER STRAIGHTS, Issued, Bid, Offer, day week Yield, Change on

Table with columns: CONVERTIBLE, Conv. date, price, Bid, Offer, day week Yield, Chg.

Table with columns: U.S. QUARTERLIES (continued)

Table with columns: EDISON BROTHERS STORES (continued)

Table with columns: MSI DATA (continued)

Table with columns: SYNTEX CORPORATION (continued)

Table with columns: SWISS FRANC STRAIGHTS

Table with columns: YEN STRAIGHTS

Table with columns: Additional financial data

Table with columns: Additional financial data

Financial Times Ltd. 1982. Reproduction in whole or in part without permission is prohibited. Data supplied by OATSTREAM International.

Canadian bank omits dividend

By ROBERT GRAHAM IN MADRID

NATIONAL BANK of Canada has incurred a second quarter loss and is omitting its quarterly dividend usually paid in July. Its last payment was 15 cents a share on April 30.

The second quarter loss amounted to C\$8m, equal to 44 cents a share, and compared with a profit of C\$8.8m for the corresponding period last year. Earlier this year the bank reported a first quarter loss of C\$2.8m, or C\$1.25 a share.

Assets at April 30 last totalled C\$20.02bn. The National Bank was formed two years ago through the merger of the Provincial Bank of Canada and National Canadian Bank, both based in Montreal and doing business primarily in Quebec.

For the fiscal year ended October 31, 1981, the bank reported an after-tax balance of revenue of C\$20.5m, up from C\$16.6m previously and equal to 83 cents a share. Operating expenses were blamed for the low profitability.

Nelson Companies, one of Canada's major brewers and with major retailing and industrial products subsidiaries, is weathering the recession better than most Canadian companies. Net profit for the year ended March 31 is C\$52.8m or C\$3.75 a share, against C\$39.9m, or C\$2.84 a share a year earlier. Revenues totalled C\$1.8bn against C\$1.6bn previously.

Republic Air expects to return to black. REPUBLIC AIRLINES, one of the largest regional carriers in the US, may record a profit in the second quarter. The company had a first quarter loss of \$22.5m and a loss of \$4.9m in the second quarter last year. It has not made a profit since the third quarter of 1979 - except for a 1 cent a share profit in the final quarter of 1980 after including Hughes Aircraft which it acquired for \$38.5m.

Mr Daniel May, president and chief executive, said the third quarter this year would be even better. In the third quarter last year, Republic lost \$18.4m. He acknowledged, however, that the airline would probably be in the red for the year.

Republic of Indonesia

U.S. \$200,000,000 Floating Rate Notes due 1992

(redeemable at Noteholder's option in 1989)

Swiss Bank Corporation International Limited

Amro International Limited, Bank of Tokyo International Limited, Banque Nationale de Paris, Chase Manhattan Capital Markets Group, Chase Manhattan Limited, The Hongkong Bank Group, IBJ International Limited, NV de Indonesische Overzeese Bank (The Indonesia Overseas Bank), Loyds Bank International Limited Singapore Branch, Manufacturers Hanover Limited, Samuel Montagu & Co. Limited, Morgan Guaranty Ltd, Nomura International Limited, Orion Royal Bank Limited, Saudi International Bank Al-Bank Al-Saudi Al-Alami Limited

Sumitomo Finance International

Financial advisers to the borrower: Kuhn Loeb Lehman Brothers International, Inc., Lazard Freres et Cie., S.G. Warburg & Co. Ltd.

NEW ISSUE All these securities having been sold this announcement appears as a matter of record only. May, 1982

Handwritten note in a box: "Johnnie 150"

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Daimler-Benz reports record year

BY KEVIN DONE IN FRANKFURT

DAIMLER-BENZ, the West German manufacturer of prestige cars and commercial vehicles, reported a record year in 1981...

solely in foreign markets, which accounted for 63 per cent of group sales...

first quarter rose by 14 per cent to DM 9.6bn, from DM 8.4bn in the first four months of 1981...

the range above six tonnes to more than 110,000 for the first time, but output is expected to fall back to 103,000-104,000 in 1982.

Lufthansa forecasts better results

By James Buchan in Cologne

LUFTHANSA, the West German state airline, expects a much better performance in the current year after two years of major losses on flight operations.

Wienerwald bank debt negotiations fail

BY JOHN WICKS IN ZURICH

NEGOTIATIONS between Wienerwald, the Swiss-based restaurant chain, and a group of banks in connection with outstanding loans of DM 25m (\$110m) have collapsed.

loans totalling DM 3m. The consortium undertook to maintain lines of credit to Wienerwald and grant short and medium-term liquidity of DM 25m.

Schering boosts net profit by 28%

By Leslie Collett in Berlin

SCHERING, the West German pharmaceutical and chemicals company, recorded a 28 per cent increase in group profits last year to DM 100m (\$42.9m) on sales 19 per cent higher at DM 3.8bn.

Foreign sales Herr Pohl would not predict how profits would develop because of the uncertain economic situation in West Germany and abroad and the influence of currency fluctuations.

Mercedes broadens its range

THE centre-piece of Daimler-Benz's DM 2.5bn a year domestic investment programme is its much-heralded "smaller" car to be launched next winter as the 190 and the 190E.

Benz range to a wider circle of customers. The model carries company hopes for achieving a significant rise in car output from the present level of about 450,000 to 550,000 by 1985/86.

up to 240,000 units of the 190 a year, with output split equally between the two sites. The car will at first have a 2 litre, four-cylinder engine, but it is expected that a smaller engine, probably with a 1.7 litre capacity, will follow.

The company has spent about DM 1.5bn in capital investment in preparing production of the 190 and a further DM 385m has been spent in research and development.

Krauss-Maffei bases recovery hope on tank

BY OUR BONN STAFF

KRAUSS-MAFFEI, the West German defence contractor and engineering group which is part of the Flick group, expects a strong recovery in sales from this autumn as the Leopard 2 tank goes into full production.

DM 4.5m. The future of the Leopard 2, which has an initial production run up to 1987, will depend greatly on its export potential, with strong interest expressed by Saudi Arabia, despite a bitter political opposition in West Germany.

BMW earnings remain under pressure

BY OUR FRANKFURT STAFF

BAYERISCHE Motoren Werke (BMW) suffered a decline of 15 per cent in parent company pre-tax profits last year to DM 390.6m (\$167.9m) from DM 458.1m in the previous year—the second year in which profits have been under heavy pressure.

BMW car deliveries from January to April. BMW has established wholly-owned importers in its 12 most important foreign markets. The 12th starts operations in Spain at the beginning of July. The company is enjoying dramatic sales increases in certain key West European markets such as the UK and France, and in the U.S.

for 12 per cent of output. About 15 countries take about 90 per cent of total BMW car exports. The most important markets are the U.S., Italy, France, the UK, and South Africa where BMW has locally-based assembly operations.

of the year compared with an overall fall in registrations by importers of 18.6 per cent and a drop of 25 per cent in the volume of new Japanese registrations.

Falling sales hit German stores

BY OUR FRANKFURT STAFF

LEADING West German department store groups are facing a tough challenge to streamline their operations. They are cutting staff levels and reducing stock levels to cope with falling retail sales.

DM 3.4m to DM 5.8m. Kaufhof restricted the cut costs and reduce the group workforce. The number of employees was trimmed by 4,600 to 52,700 last year and at least a further 1,000 jobs are expected to disappear by the end of 1982.

marked fall in turnover in 1982, following a drop in sales in its 154 stores of 3.3 per cent in the first four months to DM 2.8bn.

Perstorp sharply ahead at eight months

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

PERSTORP, the Swedish special chemicals and plastics concern, reports a 38 per cent rise in earnings to SKr 80m (\$15.3m) in the eight months to the end of April. Sales rose by 18 per cent to SKr 1,360m.

management predicts that earnings in 1981-82 will fall within the SKr 110m-120m bracket compared with the SKr 84m achieved in the previous fiscal year.

month period were at roughly the same level as in the corresponding period of 1980-81 and are expected to reach about SKr 100m in the full fiscal year.

Advertisement for Republic of Indonesia Bank Indonesia. Features a \$300,000,000 medium-term Euro-dollar loan. Lists lead managers (Morgan Guaranty Trust, Citicorp, etc.), managers (Amsterdam-Rotterdam Bank, etc.), co-managers (Algemene Bank Nederland, etc.), and funds provided by various international banks.

Advertisement for Canterra Energy Ltd. U.S. \$50,000,000 10 Year Revolving Credit Facility. Multi Currency, Multi Place of Borrowing. Arranged with and provided by Midland Bank Canada and Midland Bank plc. April 1982.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Mitsui & Co falls into the red for first time

BY YOKO SHIBATA IN TOKYO

MITSUI AND CO, Japan's second largest general trading house, reported a ¥15.13bn (\$64m) net loss for the year ended March 31 against a year earlier profit of ¥11.17bn.

This is the first time since being reorganised after the Second World War that Mitsui has suffered a loss, which came as the result of its deep involvement in an ill-fated petrochemical project in Iran.

The company set aside ¥39.5bn as a reserve against losses from the Bandar Khomeini petrochemical venture. Its 1981-82 losses from the project, however, soared to ¥48.87bn compared with ¥14.9bn in the previous year.

Mitsui cut its annual dividend to ¥5 per share from a ¥7.

Mitsui's losses on the project are expected to continue to mount this year, though it is still too early to say what the final result will be. Mitsui and its Japanese partners in the Iran-Japan Petrochemical Company, the joint venture with Iran, have refused to pour any further funds into the project.

Among steps being taken to cover the losses is a cut in bonus payments this year for Mitsui employees.

Mitsui's sales grew 4 per cent last year to ¥13.25bn (\$55.8bn). As was the case with four other major trading houses reporting results yesterday, business in general has been lacklustre. Among the chief reasons are a proportionately smaller amount of domestic business, which is normally highly profitable, as

the economy slowed.

Profits on imports have also been hurt by slack demand and the yen's depreciation against the dollar.

Despite an improvement in non-operating items resulting from a ¥10.3bn cut in depreciation charges and a ¥9.3bn reduction in financial cost, the deterioration in gross profits margin confined the growth in pre-tax profits to ¥13.7bn, a 3.7 per cent rise.

Mitsui's domestic transactions rose by 0.9 per cent to account for 42.5 per cent of the total against a 44 per cent share the previous year. Import transactions rose by only 2.1 per cent.

Sales of non-ferrous metals, chemical goods and foods were below the previous year's level. Sumitomo Corporation, ranking fifth among Japanese trading firms, lifted earnings as a result of higher exports of seamless pipes and cars with high profit margins. Total exports grew 38 per cent. The company's pre-tax profits surpassed those of second-ranked Mitsui.

Sumitomo's domestic transaction was also sluggish, up only by 9.4 per cent, and offshore trading fell by 2.9 per cent.

C. Itob, the third largest trading company, achieved double digit growth to turnover, as a result of the expansion of trade outside Japan which rose by 56.7 per cent to account for 15 per cent of total

turnover.

Domestic transactions, however, with high profit margins rose by only 9 per cent to account for 43.5 per cent of total turnover. Gross profits deteriorated by ¥11bn, partly because of an exchange loss on grain transactions. Gross profits in the machinery and construction division were ¥5.1bn lower because of a fall in plant exports and were down ¥2.3bn in the timber and paper division.

C. Itob also reported a ¥21bn special loss related to Toa Oil, a former oil refining affiliate. The company managed to report a net profit by increasing sales of securities and use of a special internal reserve for currency fluctuations.

Net profits rose 11 per cent to ¥5bn, on a 15 per cent increase in sales to ¥12,336bn.

Sumitomo's net profits rose 39 per cent to ¥15.6bn, pre-tax profits rose by 50 per cent to ¥44.2bn on sales 13.6 per cent higher at ¥10,844bn.

Nissho Kwai, the sixth largest trading house, reported a recovery in net profit to ¥5.5bn against a year earlier loss of ¥158m on a 13 per cent increase in sales to ¥7,432bn.

Nichimen, the ninth largest house, managed a marginal increase in net profits to ¥1.5bn, while pre-tax profits rose by 13 per cent to ¥6.2bn on sales 12.5 per cent higher at ¥2,938bn.

Nippon Electric lifts sales and earnings

BY OUR TOKYO STAFF

NIPPON ELECTRIC Company, a leading manufacturer of computers and telecommunication equipment, improved its earnings for the year ended March 31 with the help of strong demand for mainframe computers both in domestic and overseas markets, personal computers, and electronic devices such as semiconductors.

NEC's unconsolidated pre-tax profits rose by 23.5 per cent to a record ¥43,580m (\$184m). Net profits were 19.2 per cent higher at ¥21,333m on record sales of ¥1,054bn (\$4,45bn), up 18.1 per cent. Profits per share were ¥21.61, compared with ¥18.56.

Sales of communications systems and equipment rose 18.7 per cent to account for 39.2 per cent of the total turnover, reflecting strong overseas demand for electronic telephone switching systems and optical fibre communication systems.

Sales of computers and industrial electronic systems surged by 18.4 per cent from the previous year to account for 27 per cent of the total. Electronics devices' sales grew by 20 per cent to account for 25 per cent.

Home electrical appliances sales were sluggish rising by 9.4 per cent to account for an 8.8 per cent share.

NEC's sales to the private sector, representing 47.2 per cent of the total turnover, increased by 17.4 per cent. Sales to Nippon Telephone and Telegraph in the public sector rose by only 0.4 per cent because of public spending curbs. NTT accounted for 20 per cent of all sales.

Exports surged by 27.6 per cent to take a 32.8 per cent share of the total because of brisk sales of computers and telecommunications equipment. Earnings growth reflected high sales volume, rationalisation efforts and improved export profitability from the yen's depreciation against the dollar.

Continued expansion of demand for computers and semiconductors is expected this year. Nippon Electric plans to lift capital investment to ¥95bn from ¥87bn, of which ¥48bn is for semiconductor capacity expansion including full scale commercial production of 64K RAM chips.

The company forecasts sales this year of ¥1,200bn, up 14 per cent, pre-tax profits of ¥50bn, up 15 per cent, and net profits of ¥25bn, up 17 per cent.

Downturn at Bonuskor

BY THOMAS SPARKS IN JOHANNESBURG

BONUSKOR, the South African industrial holding company which has interests in timber, motor cycle distribution, farming equipment and fixed property, experienced a sharp profit downturn in the final six months of its financial year ended March 31. As a result profit for the year before interest and tax fell to R22.7m (\$21m) from R27.2m. Earnings were further eroded by an interest bill which rose to R6.6m from R3.1m.

The directors place most of the blame for the poorer performance on a cyclical downturn in the motorcycle market.

After increasing the interim dividend to 6 cents from 5 cents the company has decided to declare an unchanged final dividend of 10 cents. Earnings for the year, however, slipped to 48.1 cents a share from 68.2 cents.

Bonuskor is 62.2 per cent owned by South Africa's fourth largest banking group, Volkskas.

Strong profit growth for Japanese distilling group

BY OUR TOKYO STAFF

TAKARA SHUZO, the integrated distiller which is moving into pharmaceuticals, has reported 18.5 per cent growth in pre-tax profits to ¥2.7bn (\$11.3m) in the fiscal year ended March 31.

The company also announced that it has reached a basic agreement with Amersham International of the UK to sell Takara's restrictive enzyme-based reagent for genetic engineering researches exclusively through Amersham's global sales networks outside Japan and Korea. Takara's exports of reagent to Amersham are targeted at ¥80m for the first year and could rise to ¥300m in three years.

Takara's net profits in the year ended March 31 rose by 16.8 per cent to ¥1.2bn on sales of ¥71.2bn, up 3.1 per cent. Profits per share were ¥5.61, compared with ¥4.80.

Of the total turnover, Takara's

sales of sake liquor accounted for 40 per cent of turnover, up 0.4 per cent; mirin (mixed liquors) for 21.2 per cent up 0.5 per cent; white liquor 22.2 per cent; up 8 per cent; and others including pharmaceuticals accounted for 10 per cent, up 16.5 per cent.

The company benefited from lower cost of raw materials for alcohol and lower interest payments following the interest rate cut.

Takara is forecasting pre-tax profits this year of ¥2.9bn, up 8 per cent and net profits of ¥1.3bn, up 10 per cent, on sales of ¥75bn, up 6 per cent.

Fujisawa Pharmaceutical has reported a 27.7 per cent fall in unconsolidated net income to ¥10bn for the year to March 31.

Sales rose 7.5 per cent to ¥167.68bn (\$707m). Earnings per share fell to ¥52.25 from ¥76.49.

BARCLAYS UNIDOLLAR TRUST.

A unit trust established in Jersey which invests in world stock markets with a substantial part in the U.S.A. Copies of a Half-yearly Report to 31st March 1982 are available to Shareholders at the offices of the Managers and Paying Agents.

Managers: Barclays Unicorn International (Channel Islands) Limited.
P.O. Box 152, St. Helier, Jersey, Channel Islands.

BARCLAYS

This announcement appears only on record only.



A binational entity jointly owned by Centrais Elétricas Brasileiras S.A. - ELETROBRÁS and Administración Nacional de Electricidad - ANDE

U.S. \$25,000,000
Medium-term Financing

In connection with a contract signed between ITAIPU and Grandi Motori Trieste S.p.A. relating to the Itaipu hydroelectric project.

Guaranteed by
The Federative Republic of Brazil

Managed by
Libra Bank Limited
Wells Fargo Latin American Bank - Cayman Islands Limited

Co-Managed by
Banco Industrial Colombiano de Panamá S.A.
Interamerican Bank Corporation S.A.

Provided by
Libra Bank Limited Wells Fargo Latin American Bank - Cayman Islands Limited
Banco Industrial Colombiano de Panamá S.A. Interamerican Bank Corporation S.A.
Banco Cafetero, S.A. (Panama) Nagrafin Bank Limited
Banco Ambrosiano Overseas Limited Tat Lee Bank Limited, Singapore

Arranged by
LIBRA BANK LIMITED

April 1982

NOTICE OF FINAL REDEMPTION
KEPPEL SHIPYARD LIMITED
Singapore
US\$12,000,000
9 1/2% Guaranteed Bonds 1982

NOTICE IS HEREBY GIVEN to Bondholders that all outstanding Bonds in the above described issue will become due and payable on July 1, 1982 at the redemption price of 100% of the principal thereof plus accrued interest of said principal amount to such date. On or after such date, interest on the said Bonds will cease to accrue.

Payment of the Bonds will be made on or after July 1, 1982 upon presentation and surrender of said Bonds together with all coupons appertaining thereto at the specified offices of any one of the paying agents appointed as mentioned in the conditions printed on the reverse of each Bond.

OVERSEA-CHINESE BANKING CORPORATION LIMITED
Principal Paying Agent

Standard Chartered Bank Limited
(Incorporated with limited liability in England)

U.S. \$50,000,000
Floating Rate Capital Notes 1984

For the six months from 28th May, 1982 to 30th November, 1982, the Notes will carry an interest rate of 14 3/4% per annum. On 30th November, 1982 interest of U.S. \$76.85 will be due per U.S. \$1,000 Note for Coupon No. 11.

Principal Paying Agent
European-American Bank & Trust Company
10 Hanover Square
New York N.Y. 10005

Agent Bank: Morgan Guaranty Trust Company of New York, London

NOTICE OF DIVIDEND

The Executive Board announces that on 26th May, 1982, the Annual General Meeting of Shareholders approved the annual accounts for 1981 and the profit appropriation contained therein as confirmed by the Supervisory Board.

The dividend for the financial year 1981 has been fixed at Dfls. 9.60 per Dfls. 20.00 ordinary share, of which an interim dividend of Dfls. 4.25 was paid in October, 1981.

Instead of the final dividend of Dfls. 5.35 per Dfls. 20.00 ordinary share in cash, shareholders may elect to receive Dfls. 1.00 in ordinary shares from the Share Premium Account.

For shareholders and holders of Bearer Depository Receipts (BDRs) who wish to receive the dividend in cash, coupon No. 36 of their securities will be payable at the Head Offices of the following banks with effect from 8th June, 1982:

- Amsterdam-Rotterdam Bank N.V.
- Algemene Bank Nederland N.V.
- Nederlandsche Middenstandsbank N.V.
- Pierson, Heldring & Pierson N.V.
- Bank Mees & Hope N.V.
- Nederlandse Credietbank N.V.
- N.V. Slavenburg's Bank
- Bank Van der Hoop Offers N.V.
- at Amsterdam, Rotterdam and The Hague.

For each Dfls. 20.00 ordinary share or BDR, Dfls. 5.35 will be paid on coupon No. 36, this being the final dividend less 25% dividend tax.

Shareholders and holders of BDRs who wish to receive the dividend in ordinary shares or BDRs on coupon No. 36 of their securities, will receive one new ordinary share or BDR of Dfls. 20.00 nominal value against delivery of every 20 coupons No. 36 of ordinary shares or BDRs up to and including 3rd September, 1982. The new shares and BDRs will participate fully in the profits to be declared for 1982 and subsequent years.

After 3rd September, 1982, the final dividend will only be payable in cash.

To obtain new securities representing 15 or 50 ordinary shares with coupons No. 37 and succeeding numbers attached, the

requisite number of share coupons numbered 36 must be deposited at the Head Offices of the above-named banks not later than 3rd September, 1982. The coupons must be accompanied by a statement giving full name, including first names, addresses, etc.

To obtain BDRs of 15 or 50 ordinary shares with coupons No. 37 and succeeding numbers attached, the requisite number of coupons No. 36 of BDRs and/or ordinary shares must be deposited at N.V. Administratiekantoor Christiaan Huygens, Keizersgracht 558, 1017 EM Amsterdam, not later than 3rd September, 1982. If desired, the new BDRs will also be available by way of so called, CF-BDRs (without coupon sheet).

Coupon No. 36 must be deposited with name of the deliverer endorsed on the back and accompanied by an advice in duplicate. ENNIA will pay the customary commission to the members of the Vereniging voor de Effectenhandel in order that the conversion of coupon No. 36 may be made free of commission to the holders.

Holders of CF-BDRs will receive their dividend in cash or in ordinary share certificates through the intermediary of the institutions where the coupon sheets of their share certificates were deposited on 26th May, 1982, at the office's closing time.

Those who ask their bankers for delivery and/or deposit of securities on account of the conversion, will be charged for commission in accordance with the rates of the "Nederlandse Bankiersvereniging".

ENNIA N.V.
Executive Board
The Hague, 28th May, 1982
Churchillplein 1

N.V. Administratiekantoor
Christiaan Huygens
Amsterdam, 28th May, 1982
Keizersgracht 558

ennia n.v.
Insurance Group
Balanced growth internationally



Dutch insurance leader maintains growth at home and abroad

One of the Netherlands' largest insurance groups and a leading force in the industry, Ennia operates in life assurance, general insurance and related non-insurance businesses, including mortgages and property development.

The Company has its head offices in The Hague, and branches, subsidiaries and affiliates throughout Europe, in the United States, the Middle East, the Caribbean and South-East Asia. This international spread of operations reflects the Group's strategy of balanced growth in insurance markets worldwide.

Results in 1981

Ennia continued to maintain progress in 1981. Gross receipts increased by nearly 7 per cent, and total profits after tax and after addition to the catastrophe reserve rose by 15 per cent. The number of ordinary shares increased by 5 per cent and the profit per share was up more than 10 per cent. Life assurance results developed favourably though there was a small decrease in general insurance. Non-insurance activities were a little below 1980 levels.

With a final dividend of Dfl. 9.60, total dividend for the year amounts to Dfl. 9.60, an improvement of Dfl. 0.25 over 1980.

Prospects

We expect Group income in 1982 to rise over Dfl. 3 billion. We are sure that in the current year we shall be able to limit the growth of expenses. Additionally the acquisition of National Old Line Insurance Company of Little Rock, Arkansas, will make a positive contribution to the results.

Although increasing competition in the Dutch insurance market will depress profits of our domestic operating companies, we are confident of realising our objectives with the support of our employees and agents whose efforts have helped us achieve good results even in difficult economic conditions. We thank them for their contribution to the growth of Ennia in 1981.

Copies of the 1981 Annual Report are available from the Company Secretary, Ennia n.v., P.O. Box 202, Churchillplein 1, The Hague, The Netherlands;

Annual Results 1979-1981

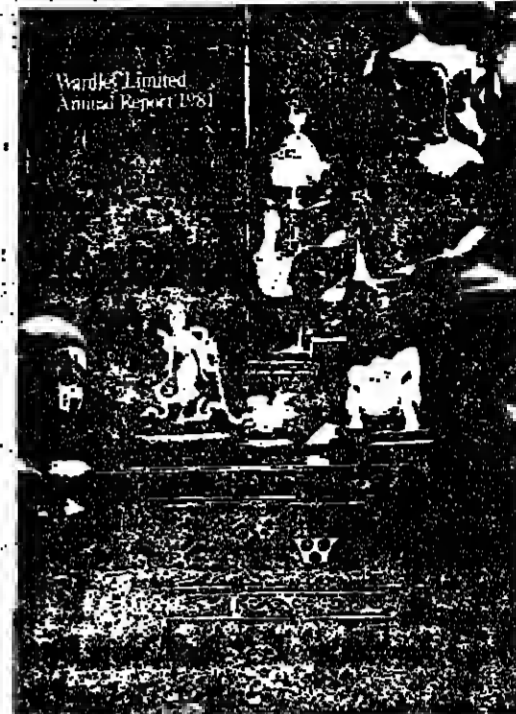
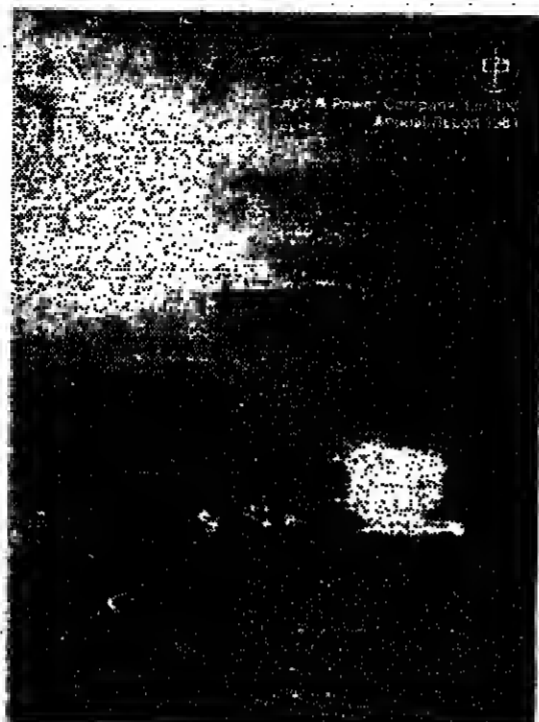
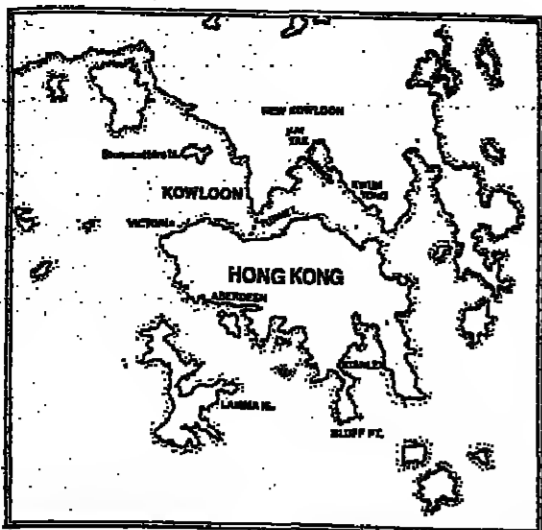
in Dfl. million	1981	1980	1979
Gross premium life assurance	804.1	785.4	735.4
Gross premium general insurance	884.2	788.3	653.5
Other income	959.5	887.5	755.8
Unconsolidated companies	21.8	41.4	87.0
Gross receipts	2,669.6	2,502.6	2,231.7
Net profit after addition to catastrophe reserve	101.8	88.4	69.7
Figures per ordinary share of Dfl. 20.00	Dfl.	Dfl.	Dfl.
Net profit after addition to catastrophe reserve	30.61	27.22	25.68
Ordinary shareholders' funds	212.76	267.69	265.60
Dividend	9.60	8.75	8.16

Ennia Insurance Company (UK) Ltd., 136 Fenchurch Street, London EC3M 6BL, of Ennia Reinsurance Company of America, 127 John Street, New York, NY 10038.

ennia n.v.
Insurance Group
Balanced growth internationally

Handwritten note in a box: 1000

INVEST IN HONG KONG



The Hongkong and Shanghai Banking Corporation

The Hongkong Bank Group operates through more than 900 offices in 55 countries. Its areas of particular strength are in Asia, the Middle East and the Americas.

The principal banking subsidiaries within the Group are Marine Midland Bank, Inc., The British Bank of the Middle East, Mercantile Bank Limited, Hang Seng Bank Limited, Wardley Limited and Antony Gibb & Sons, Limited.

Consolidated profit for 1980 exceeded £190 million, and total consolidated assets of the Group now exceed \$28 billion.

China Light & Power Company Limited

China Light & Power generates and supplies electricity for Kowloon and the New Territories. In 1981, 8,545 million kWh electricity was supplied to 949,454 consumers. The Company has 18,146 shareholders and 6,986 employees. Turnover in 1981 was HK\$4,309.1 million, and shareholders' equity stood at HK\$2,712 million. The authorised share capital is 600 million shares of HK\$5 each, and the issued capital — HK\$2,400 million — comprises 480 million fully-paid shares of HK\$5 each. Together with its Associated companies: Peninsula Electric Power Company Limited, Kowloon Electricity Supply Company Limited, and Castle Peak Power Company Limited, China Light & Power has embarked on a major capital expansion programme, the Castle Peak 'A' and 'B' power stations and the associated EHV transmission network. Present forecasts indicate that expenditure to 1991 will total HK\$37,000 million.

Sun Hung Kai Securities Ltd

Sun Hung Kai Securities Limited is the single largest securities house in Hong Kong. Established in 1969, its range of services includes equities and bonds, gold and silver, commodities, properties and China Trade. The Company has branch offices in London, Singapore, New York, Beijing and Shanghai. After tax profit for 1981 reached a record of HK\$182.58 million, an increase of 34.6% over the HK\$135.66 million achieved in 1980. There were, in addition, extraordinary profits of HK\$34.29 million. Earnings per share was HK\$0.75, an increase of 22.5% compared with 1980.

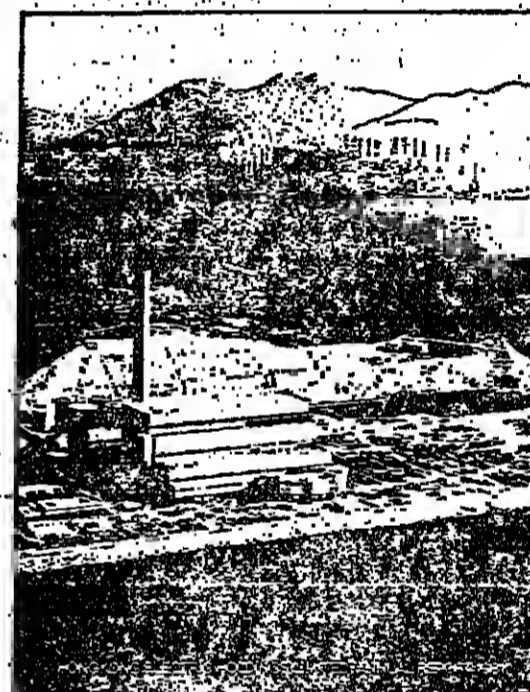
Principal Associated Companies include:
Marsh & McLennan-Sun Hung Kai Limited (50%)
SHK-ACLI Commodities Limited (50%)
Sun Hung Kai-Bear Stearns (U.S. Securities) Limited (50%)

Wardley Limited

Wardley Limited is the merchant banking arm of The Hongkong and Shanghai Banking Corporation and is a wholly owned subsidiary.

The company is a leader in the fields of Wholesale Banking, Corporate Finance, Investment Management Services, Export Credit Facilities, Project Financing, Energy Banking Services and Shipping Services including Sale and Purchase and Chartering in the Asia Pacific region.

Wardley Limited's head office is in Hong Kong. The company currently has a presence either through its offices or associated companies in Australia, Bahamas, Indonesia, Japan, Korea, Papua New Guinea, Philippines, Singapore, Thailand, the United Kingdom, the United States of America, the United Arab Emirates and Vanuatu.



Wing Lung Bank Limited

45 Des Voeux Road, Central, Hong Kong
Established 1933
Chairman: Mr. Michael Po-ko Wu
General Manager: Mr. Patrick Po-kong Wu
A complete range of banking services provided
1981 highlights:
Total Assets: HK\$4,535,569,891
Total Deposits: HK\$3,581,263,306
Net Profit: HK\$115,801,712

Hong Kong Telephone Company Ltd

Hong Kong Telephone is a publicly listed company with 25,000 Shareholders operating under a Government franchise. Growth in telephones over the past decade has averaged 10% per annum and at the end of 1981 there were over 1.8 million telephones giving Hong Kong 35 telephones per 100 population. The Company has a workforce of 12,000 staff and, in addition to basic services, provides Keylines, Computerized Business Systems, Concentrators, Data Transmission, Radio Paging, Viewdata and International facilities. It is also planning to introduce Mobile Radio Telephones and a Data Message Service.
Turnover in 1981 was HK\$1,785 million, while Shareholders' funds at the end of the year stood at HK\$1,798 million. The authorized share capital of the Company is 150 million HK\$10 shares of which 91 million are issued. In 1981 earnings per share were HK\$3.30.

Hutchison Whampoa Limited

One of the leading Hong Kong-based companies with a diversified range of activities including property development, China trading, quarrying and ready-mix concrete, container terminals, and importing, wholesaling and retailing. Consolidated profits after tax of HK\$790 million (US\$139 million) in 1981, an increase of 92% over 1980, with total profits after extraordinary items of HK\$947 million (US\$167 million), an increase of 23% over 1980. Shareholders Funds total \$3,793 million (US\$667 million).

Hongkong Electric Holdings Limited

The Hongkong Electric Group's principal activities are the generation, transmission and sale of electricity, property development, engineering consultancy, project management services, general trading and electrical and mechanical contracting. The Group which has over 70,000 shareholders achieved an after tax profit of approximately \$58 million in 1981.

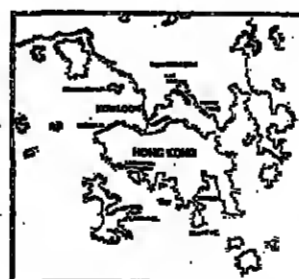


The Hongkong Land Company Ltd

Established in 1889 is today one of the most valuable property based companies in the world with total assets of some US\$4,500 million. Through its wholly-owned subsidiaries, Dairy Farm and Mandarin International Hotels, the Company also has food and hotels interests in 15 territories principally in the Asia Pacific Region including Singapore, Australia and North America, and is the leader of the three industries in Asia. Hongkong Land shares are officially quoted on the Hong Kong and Singapore stock exchanges and are listed in London.

Winsor Industrial Corporation Ltd.

Winsor is Hongkong's largest textile group consisting of a balanced and diversified vertical setup extending from spinning, weaving, finishing to garment manufacturing and wool knitting, with minor interests in property development. Sales of textiles in 1980/81 amounted to HK\$1,200 million while operating profit thereon netted HK\$102 million, an enviable performance in view of the difficulties confronting textile manufacturers everywhere during the period.



INVEST IN HONG KONG

To: Miss K. Palmer
Financial Times
(Room 403C)
Bracken House
10 Cannon Street
London EC4A 3BF

Please send me the following Annual Reports

OFFER CLOSES SEPTEMBER 28TH 1982

- The Hongkong and Shanghai Banking Corporation
- China Light & Power Company Ltd.
- Sun Hung Kai Securities Ltd.
- Wardley Limited
- Wing Lung Bank Ltd.
- Hong Kong Telephone Company Ltd.
- Hutchison Whampoa Limited
- Hongkong Electric Holdings Ltd.
- The Hongkong Land Company Ltd.
- Winsor Industrial Corporation Ltd.

NAME _____
BLOCK CAPITALS PLEASE _____
POSITION _____
COMPANY _____
NATURE OF BUSINESS _____
ADDRESS _____

Companies and Markets **INTL. COMPANIES & FINANCE**

Two major overseas banks are preparing plans to comply with Kuala Lumpur's New Economic Policy

Malaysian rules catch banks

BY RODERICK ORAM RECENTLY IN KUALA LUMPUR

MALAYSIA's New Economic Policy (NEP), which is aimed at putting more corporate ownership into local, particularly indigenous Malay, hands, is after 12 years biting on foreign banks operating in the country.

Hongkong and Shanghai Banking Corporation of Hong Kong, and Standard Chartered Bank of the UK are discussing with the Malaysian Government the restructuring of their local operations.

Floating off as Malaysian companies "will not be achieved with a great deal of ease because of the size of the institutions," the Hongkong Bank says.

These two banks dominate the foreign sector, so that once they have come within the NEP net, foreign-controlled banks will play a minor part in the country's financial set-up.

The NEP was launched in 1970 with the guiding principle that corporate assets should be owned 30 per cent by Bumiputras (native Malays), 40 per cent by other Malaysians, and 30 per cent by foreigners by 1990.

Government attention has so far been directed towards achieving this target as a matter of priority, in the agricultural and industrial sectors. Since Darby and Guthrie, the two leading plantation groups in the country, have been highlights of the movement.

Whether or not the NEP guidelines should apply to whole industries, or individual companies, is a matter open to interpretation. Foreign banks assumed until last summer that the sector-wide rule would apply to them. Thus, they argued, the rapid growth of domestically owned banks would satisfy the targets.

Last August, however, Tunku Razaleigh Hamzah, the Malaysian Finance Minister, took a tougher and more direct line with the foreign banks.

It became clear that the Government wanted them to incorporate locally, to meet individually the ownership requirements. The pressure on them increased in December when the Government criticised their lending policies.

Hongkong Bank and Standard Chartered decided, inde-

pendently, at the end of the year to tackle the long-standing ownership issue. Previously, the two banks had been content to live with the disadvantages they faced, as compared with local banks.

The share capital of foreign banks must at a minimum equal 6 per cent of assets, while local institutions can operate at 4 per cent. Foreign banks are forbidden to increase their branch net work and the last new licence was issued in 1973 to the

to 12bn ringgit (US\$5.5bn) between 1977-80. Malaysian Banking number two by assets, expanded by 132 per cent to 8bn ringgit in that period. The third ranking, Hongkong Bank, grew by 103 per cent to 3.5bn ringgit, and the fourth placed Chartered Bank, the Standard Chartered offshoot, by 45 per cent to 3.4bn ringgit.

Both Hongkong Bank and Chartered Bank enjoyed brisk profit growth over 1977-80, according to SGV. Chartered's

for example, has 15 branches in the country, which represent about 25 per cent of the group's total assets.

OCBC has no comment yet on the question of local incorporation, Mr Choi Siew Hong, the head of Malaysian operations, says.

Some people in the financial sector believe that a special case may be made for Singapore banks lest Singapore retaliates and forces Malaysian banks operating in Singapore to bring in local shareholders.

Hongkong Bank and Chartered Bank present differing attitudes to local ownership. Hongkong Bank is looking towards a local shareholding of at least 25 per cent when it incorporates as a Malaysian company, and accepts that this could rise to 70 per cent by 1990.

Chartered Bank, however, is more immediately concerned with its local incorporation and the initial share issue. It intends to remain "very much in control," for the time being.

The negotiations with the Government are progressing in a sympathetic atmosphere, both Government officials appear to appreciate the multitude of problems that need to be sorted out, and therefore have set no deadlines. Chartered Bank hopes the matter can be settled in a year.

Both banks have yet to answer basic questions such as the new capital and organisational structures of the local operations and where to seek local investors. Clearly, both banks could not come to the capital markets about the same time.

One particularly thorny matter is the contractual relationship the banks have with each account holder. The hard way to local incorporation is for the banks to write to customers around the country asking them to accept a new organisation taking over their accounts. If any refused, the banks would have to maintain old and new organisations in tandem to cater for those holding out.

The easy way might seem for the Malaysian Parliament to legislate for the switch. This is a sensitive issue, however, because it opens the way for argument that it is a Government strong-arm tactic.



Tunku Razaleigh Hamzah (left), the Malaysian Finance Minister has played a leading role in bringing forward the concept of Malaysian enterprises falling within a scheme of 30 per cent Bumiputra ownership, 40 per cent other Malaysians and 30 per cent foreign by 1990

Bank of Nova Scotia. In addition, foreign banks pay 40 per cent corporate tax, against the 35 per cent paid by local banks, and benefit less from public sector deposits than Malaysian banks.

Faced with constraints on their operations, foreign banks moved increasingly into new activities such as finance companies and merchant banking.

In 1972, foreign banks accounted for 60 per cent of the country's banking sector, but by 1978 local institutions had won a majority share. Now, foreign banks are down to about 35 per cent.

Foreign banks continued to grow but local banks grew faster, according to figures collected by SGV Kassim Chao Management Services.

Bank Bumiputra, the sector's leader had, for example, a 217 per cent growth in total assets

net earnings increased 250 per cent to 23.4m ringgit, while Hongkong's rose 121 per cent to 38.3m ringgit. In comparison, Bank Bumiputra's rose 246 per cent to 25.3m ringgit while Malaysian Banking's advanced 171 per cent to 40.9m ringgit.

Hongkong Bank's 36-branch Malaysian operation accounted for roughly 3 per cent of the group's total assets in 1980, while Chartered's network, dating back more than 100 years and now covering 35 branches, represents about 4 per cent of Standard Chartered.

A total of 15 other foreign banks, many from Singapore, own another 71 branches. But for these banks, Malaysian operations are more important to the groups than they are in the cases of Hongkong Bank and Standard Chartered.

Oversea-Chinese Banking Corporation (OCBC) of Singa-

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Oversea-Chinese Banking Corporation (OCBC) of Singa-

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Oversea-Chinese Banking Corporation (OCBC) of Singa-

May 1982
This announcement appears as a matter of record only



COMPANHIA NACIONAL DE PETROQUIMICA, E.P.

£25,000,000

Acceptance Credit Facility

Managed by **Lloyds Bank International Limited**

Provided by **Bank of New South Wales**
Banque Belge Limited
Lloyds Bank International Limited
Williams & Glyn's Bank plc
The Dai-ichi Kangyo Bank, Limited
The Taiyo Kobe Bank, Limited

Agent Bank **Lloyds Bank International**

This advertisement is not to be construed as a public offering of the securities mentioned herein. The offering is made by prospectus only, copies of which may be obtained from such of the undernamed and other dealers as may lawfully offer these securities.

New Issue

Inco Limited

6,900,000 Common Shares
and
3,450,000 Share Purchase Warrants

Offered in Units, each of which consists of one Common Share and one-half Share Purchase Warrant.
Of the 6,900,000 Units, 5,200,000 Units were initially offered in Canada and Western Europe by the undernamed and 1,700,000 Units were initially offered in the United States of America by an United States underwriter.

Price: Cdn. \$13.75 per Unit

Wood Gundy Limited

Dominion Securities Ames Limited Richardson Securities of Canada

- | | | |
|--|---|---------------------------------------|
| McLeod Young Weir Limited | Pitfield Mackay Ross Limited | Nesbitt Thomson Bongard Inc. |
| Greenshields Incorporated | Merrill Lynch, Royal Securities Limited | Burns Fry Limited |
| Walwyn Stodgell Cochran Murray Limited | Midland Doherty Limited | Lévesque, Beauchien Inc. |
| Bell Gourinlock Limited | Pemberton Securities Limited | Geoffrion, Leclerc Inc. |
| Houston Willoughby Limited | Odlum Brown & T. B. Read Ltd. | Andras, Hatch & Hetherington Ltd. |
| Bache Halsey Stuart Canada Ltd. | Burgess Graham Securities Limited | Canavest House Limited |
| Casgrain & Compagnie Limited | F. H. Deacon, Hodgson Inc. | MacDougall, MacDougall & MacTier Inc. |
| McLean, McCarthy & Company Limited | Molson Rousseau Inc. | Moss, Lawson & Co. Limited |
| Oslar, Wills, Bickle Limited | | Scotia Bond Company Limited |

and in Europe

- | | | |
|--------------------------------|----------------------------------|----------------------------------|
| Commerzbank Aktiengesellschaft | Deutsche Bank Aktiengesellschaft | European Banking Company Limited |
| Lazard Frères & Cie | Morgan Grenfell & Co. Ltd. | Union Bank of Switzerland |

May 1982

U.S. \$25,000,000



Bergens Bank A/S

Floating Rate Capital Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 28th May, 1982 to 31st August, 1982 the Notes will carry an Interest Rate of 14 3/4% per annum. The relevant Interest Payment Date will be 31st August, 1982 and the Coupon Amount per U.S. \$1,000 will be U.S. \$39.25.

Credit Suisse First Boston Limited Agent Bank

U.S. \$100,000,000



Manufacturers Hanover Overseas Capital Corporation

Guaranteed Floating Rate Notes Due 1994

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 28th May, 1982 to 31st August, 1982 the Notes will carry an Interest Rate of 14 3/4% per annum. The relevant Interest Payment Date will be 31st August, 1982 and the Coupon Amount per U.S. \$1,000 will be U.S. \$38.92.

Credit Suisse First Boston Limited Agent Bank

U.S. \$30,000,000



Teollisuuden Voima Oy - Industrins Kraft Ab (IVO Power Company)

(Incorporated in Finland with limited liability)
Guaranteed Drop-Lock Bonds Due 1991

Unconditionally and irrevocably guaranteed by the Republic of Finland

In accordance with the provisions of the Bonds, notice is hereby given that for the six month Interest Period from 28th May, 1982 to 30th November, 1982 the Bonds will carry an Interest Rate of 14 3/4% per annum. The relevant Interest Payment Date will be 30th November, 1982 and the Coupon Amount per U.S. \$1,000 will be U.S. \$76.85.

Credit Suisse First Boston Limited Agent Bank

U.S. \$30,000,000



State Bank of India

(Incorporated by Act of Parliament of the Republic of India)

Floating Rate Notes Due 1987

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 28th May, 1982 to 30th November, 1982 the Notes will carry an Interest Rate of 14 3/4% per annum and the Coupon Amount per U.S. \$1,000 will be U.S. \$76.85.

Credit Suisse First Boston Limited Agent Bank

BILBAO INTERNATIONAL N.V.

(Incorporated with limited liability in the Netherlands)

US\$50,000,000
Guaranteed Floating Rate Notes due 1987/90 (redeemable at the option of the Noteholders in 1987)
Unconditionally and irrevocably guaranteed as to payment of principal and interest by



BANCO DE BILBAO, S.A.

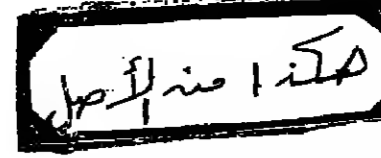
(Incorporated with limited liability in Spain)

In accordance with the provisions of the Agent Bank Agreement between Bilbao International N.V., Banco de Bilbao, S.A., and Citibank, N.A., dated May 27, 1980, notice is hereby given that the Rate of Interest has been fixed at 14 3/4% p.a. and that the Interest payable on the relevant Interest Payment Date, November 30, 1982, against Coupon No. 5 in respect of US\$50,000 nominal amount of Notes will be US\$38.27.

By: Citibank, N.A., London, Agent Bank
May 28, 1982.

CITIBANK

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Companies and Markets

EEC gluten import curb plan backed

By Jonathan Carr in Munich

WEST GERMANY has strongly backed an EEC scheme to limit imports of the U.S.-produced animal feed ingredient corn gluten...

International Association of Seed Crushers, brought an immediate sharp response from Mr Seeley Lodwick, U.S. Under Secretary of Agriculture...

made a commitment not to levy a tariff on corn gluten imports. In return for this, the U.S. says it made other trade concessions...

Community spends \$7bn a year in export subsidies, he claimed. Speaking in Ottawa after talks with Canadian ministers...

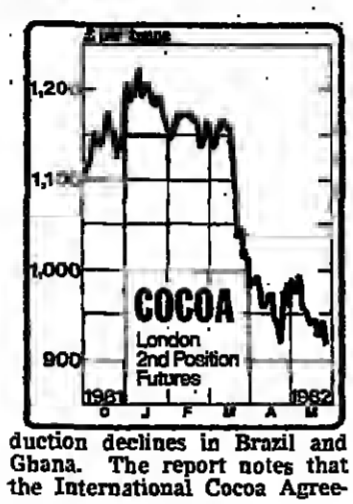
World grains record expected

WORLD PRODUCTION of coarse grains could rise to a record level of 767m tonnes in 1981, up 35m on the previous year...

Cocoa surplus estimate raised

By John Edwards, Commodities Editor

FORECAST SURPLUS of cocoa production, over consumption, in the 1981-82 season has been raised to 88,000 tonnes...



ment "clearly not met its objectives." It seems unlikely, it adds, that any measures could be agreed upon which would, by themselves return cocoa prices above 100 cents a lb.

Egg prices to fall again

By Our Commodities Staff EGGS SHOULD be cheaper in the shops next week following price cuts announced yesterday by Goldenlay, Britain's biggest egg marketing consortium...

Six weeks ago egg prices were cut by 3p a dozen for the four highest sizes and by 4p for the smaller sizes...

Lower limits for N. Irish Sea herring catch

By Our Commodities Staff THE 1982 North Irish Sea herring season will open at the end of next week, the Ministry of Agriculture and day...

FARMER'S VIEWPOINT

Pitfalls in taking the meat to market

FOR MANY years farmers have been able to profit from a multiplicity of outlets for their livestock. There are good markets for fatstock on the hoof which are more than holding their own in spite of a great deal of propaganda to the contrary...

But the advent of the super-markets has changed a great deal. They represent only a handful of buyers cutting down the number of the available outlets. There are still, fortunately, a proportion of private butchers and small chains...

Live market grading, which qualifies for the subsidies, is not nearly so exact. It can't be because the grader can't see also if the farmer does not like the result he can withdraw the animals to present again...

John Cherrington

Growth in UK salad demand forecast

A BOOM in UK sales of salad vegetables over the next few years is forecast by the Fresh Fruit and Vegetable Information Bureau...

in the past 10 years the average British salad consumption has risen 1.5lbs to 25lbs, but is still only half the Continental consumption level and a third of the U.S.

vinced, however, that the British will soon move closer to the U.S. level. More imaginative use of salads in restaurants and fast food outlets was increasing consumer interest...

BRITISH COMMODITY MARKETS

BASE METALS

BASE METAL PRICES were mixed on the London Metal Exchange, with a late boom coming from sterling as it weakened towards the close of trading...

Table of base metal prices including Lead, Tin, Copper, Nickel, Zinc, and Aluminium. Columns show cash prices and various contract terms.

Table of aluminum prices in different grades and quantities, including spot and contract prices.

Table of nickel prices, including spot and contract prices for various grades.

Table of copper prices, including spot and contract prices for different grades.

Table of zinc prices, including spot and contract prices for various grades.

Table of silver prices, including spot and contract prices.

Table of grain prices including wheat, barley, and other cereals.

GAS OIL FUTURES

Prices were weaker on technical selling and a weakening of the physical market, reports Premier Man.

PRICE CHANGES

Table showing price changes for various commodities like tin, copper, and zinc.

GOLD MARKETS

Gold fell \$6 1/2 to \$323.324 in the London bullion market. It opened at \$323.323, and fell to a low of \$321.323.

LONDON FUTURES

Table of London futures prices for various commodities like tin, copper, and zinc.

INDICES

Table of financial indices including Dow Jones and various market indices.

COCOA

Futures opened lower as due and continued to weaken on further reports of a surplus and commission selling.

COFFEE

After an early attempt to breach the resistance at \$120 (basis July) had failed, values eased back despite strong trade down commission house and scale buying.

RUBBER

The London physical market opened steady, attracted little interest and was mostly quiet.

MEAT/VEGETABLES

MEAT/VEGETABLES - Average let stock prices of representative markets. Beef, lamb, and pig prices.

AMERICAN MARKETS

SILVER AND COPPER remained under pressure from long liquidation, while gold was marginally higher from short profit-taking.

WHEAT

Wheat prices were mixed, with a late boom coming from sterling as it weakened towards the close of trading.

SOYABEAN MEAL

The market opened unchanged and steady, with a slight rise in the trade reports to R. K. Roddick.

Futures trading: the indispensable aid

Written by CCST dealers, the new augmented Market Report has more pages, gives more data, more prices, week by week. You get fundamental and technical analysis, recommendations, an option report, plus CCST deposit and commission statements.

CCST Commodities Ltd. 35 South Lane, London EC3N 4AH. Telephone: 01-480 6841. Telex: 888571.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. 01-488 1139. MURPHY GALLERY, 14, Old Bond St., W1. 01-488 1139.

NOTICE TO THE HOLDERS OF BONDS OF THE ISSUE 7 1/2% 1973/1991 OF FF 150,000,000

made by the EUROPEAN COAL AND STEEL COMMUNITY. The Commission of the European Communities announces that the annual instalment of Bonds amounting to FF 5,000,000 is due for redemption on July 1, 1982.

Wool Futures

LONDON NEW ZEALAND CROSS-BREDS - Close in option buyer, seller, business. New Zealand crossbred wool prices.

Potatoes

LONDON POTATO FUTURES - Overnight night market prices which closed at 11.00 (high 11.20, low 10.80).

European Markets

Wheat - (U.S. \$ per tonne) U.S. No. 2 Hard Amber Durum June 1981, No. 2 Hard Amber June 1981, No. 2 Hard Amber June 1981.

Wednesday's closing prices

1573 (1982), Oct 1630, March 1630, May 1738, July 1778.

Coffee

Coffee - C' Contract: July 132.85, 132.85 (126.5), Sept 124.85-125.00, Dec 120.50-120.60, March 117.00, May 115.00-115.25, Sales: 4,318.

WORLD STOCK MARKETS

NEW YORK

Table of stock prices for New York market, including columns for Stock, May 26, May 25, and various industry sectors like ACF Industries, AMF, etc.

STOCK

Table of stock prices for various international markets, including columns for Stock, May 26, May 25, and sectors like Gt. Atl. Pac. Tel., Gt. Basin Pet., etc.

Wall Street 2.7 easier at 1pm

WEDNESDAY'S easier trend on Wall Street continued early yesterday in fairly active trading. Investors still registering disappointment that further rate hikes are not in the cards.

The Dow Jones Industrial Average, down 5.50 the previous day, was 276 1/2 lower at 326.01 at 1 p.m. The NYSE All Common Index was 29 cents weaker at 364.59, while falls outscored advances by an eight-to-three margin.

On Tuesday, Citibank cut its prime rate to 16 per cent from 16 1/2, and analysts said investors are disappointed that no other major banks have followed suit.

Investors are also concerned over the escalation of hostilities in the Falkland Islands and between Iran and Iraq, and the Federal Budget impasse in Congress.

Warner Communications and Mattel dipping 4 to 3 1/2 in heavy trading and demand for cameras. Plessey jumped 33 to 380 after reporting higher earnings.

THE AMERICAN SE Market Value Index was down 1.60 at 364.50 at 1 p.m. Volume 2.97m shares (2.95m).

Canada Closing prices for North America were not available for this edition.

Belgium (continued) May 27 Price +/- Petrofina 4,360 -5, Royale Belge 4,900 -300, etc.

Holland May 27 Price +/- ACP Holding 88 1/2, ACZO 96.6 -1, etc.

Denmark May 27 Price +/- Andelsbanken 113.9, Borsen 126, etc.

France May 27 Price +/- Emprunt 4 1/2 172, CNEF 3,067, etc.

Italy May 27 Price +/- Assicurazioni 192,000, Banca di Sicilia 140, etc.

Norway May 27 Price +/- Bergens Boks 102, Credittilleg 134, etc.

Sweden May 27 Price +/- AGA 906, ABE 206, etc.

Germany May 27 Price +/- AEG-Telef. 36.2, Allianz Vem. 470, etc.

Austria May 27 Price +/- Creditanstalt 214, Perincomer 200, etc.

Belgium/Luxembourg May 27 Price +/- ARBED 1,800, Bagn Int A Lux 4,100, etc.

Spain May 27 Price +/- Madrid SE (M12/81) 92.1, etc.

Switzerland May 27 Price +/- SIA 25.1, etc.

World Capital Int. (1/17/82) 14.0, etc.

Japan May 27 Price +/- Daiwa Bank 244.5, etc.

South Africa May 27 Price +/- Anglo Am 9.76, Anglo Am Gold 7.1, etc.

Japan May 27 Price +/- Hitachi 666, Hitachi Koki 617, etc.

Brazil May 27 Price +/- Aesita 1.68, Banco Brasil 16.00, etc.

Summary of market movements and indices.

NEW YORK INDICES

Table of various stock indices including Dow Jones, NYSE, S&P 500, and other market metrics.

STANDARD AND POORS

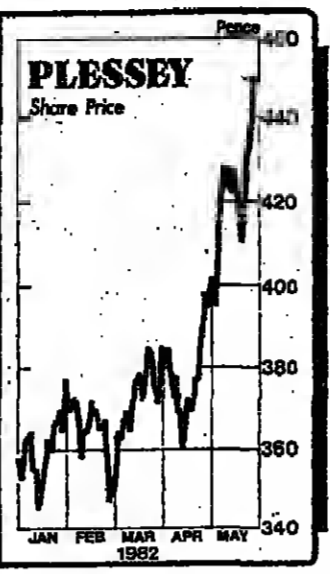
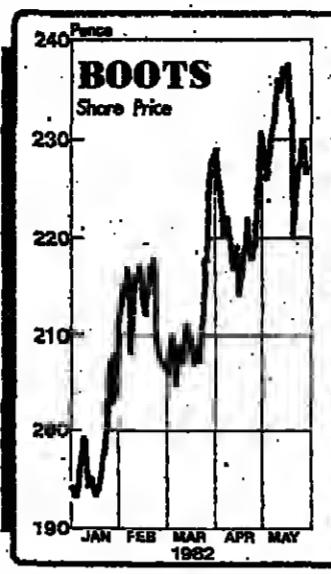
Table of Standard and Poors indices and market data.

INDICES

Table of international indices and market data for various countries.

Further improvement led mainly by defence stocks Index up 3.5 at 584.3—Gilts near 1982 peak

Account Dealing Dates... First Declared Last Account... Numerous company statements... Defence stocks encountered renewed demand...



495p on takeover hopes despite the company's denial of knowledge... Boots and Plessey...

Expectations and the close was a couple of pence off on balance at 227p... Quiet Mines... Mining markets were generally quiet...

RECENT ISSUES

Table of recent issues including AIM Group 10p, Aspec, West Services, etc.

FIXED INTEREST STOCKS

Table of fixed interest stocks including 10% Bank Loan, 10% National Water, etc.

"RIGHTS" OFFERS

Table of rights offers including 10% Bank Loan, 10% National Water, etc.

FINANCIAL TIMES STOCK INDICES

Table of financial times stock indices for various sectors like Government, Fixed Interest, etc.

Table of highs and lows and S.E. activity for various stock groups.

Table of FT-actuarial share indices for various actuarial groups.

NEW HIGHS AND LOWS FOR 1982

Table of new highs and lows for 1982 across various sectors.

WORLD VALUE OF THE DOLLAR

Table showing the world value of the dollar against various currencies.

ACTIVE STOCKS

Table of active stocks with closing prices and changes.

WEDNESDAY'S ACTIVE STOCKS

Table of Wednesday's active stocks with closing prices and changes.

FIXED INTEREST

Table of fixed interest rates for various terms and currencies.

RISES AND FALLS YESTERDAY

Table of rises and falls in stock prices yesterday.

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RISES AND FALLS YESTERDAY

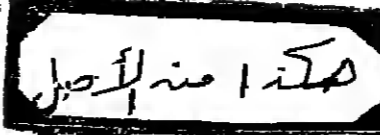
Large table of rises and falls in stock prices yesterday.

RISES AND FALLS YESTERDAY

Large table of rises and falls in stock prices yesterday.

FIXED INTEREST

Large table of fixed interest rates for various terms and currencies.



INSURANCES

Table listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., Avon Life Assurance Co. Ltd., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Table listing various insurance and managed funds, including Life Assur. Co. of Pennsylvania, Lloyd's Life Assurance, and others.

Table listing various insurance and managed funds, including Standard Life Assurance Company, Welford Community Ser. Ltd., and others.

Table listing various insurance and managed funds, including Grosvenor Management Limited, Standard Life Assurance Company, and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds, including Abbey Fund Management, Avon Fund Management, and others.

NOTES: These are in price index otherwise indicated and are subject to change without notice.

BOLD That's BTR

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

Table listing various food and grocery items with their respective prices and market movements.

HOTELS AND CATERERS

Table listing hotels and caterers with their stock prices and market movements.

INDUSTRIALS (Misc.)

Large table listing various industrial companies, their stock prices, and market movements.

ENGINEERING—Continued

Table listing engineering companies with their stock prices and market movements.

ELECTRICALS

Table listing electrical companies with their stock prices and market movements.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies with their stock prices and market movements.

DRAPERY AND STORES

Table listing drapery and store companies with their stock prices and market movements.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies with their stock prices and market movements.

BANKS & H.P.—Cont.

Table listing bank and hire purchase companies with their stock prices and market movements.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies with their stock prices and market movements.

BANKS AND HIRE PURCHASE

Table listing bank and hire purchase companies with their stock prices and market movements.

LOANS—Continued

Table listing loan companies with their stock prices and market movements.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail companies with their stock prices and market movements.

CANADIANS

Table listing Canadian companies with their stock prices and market movements.

BRITISH FUNDS

Table listing British funds with their stock prices and market movements.

AMERICANS

Table listing American companies with their stock prices and market movements.

COMMONWEALTH AND AFRICAN LOANS

Table listing commonwealth and African loan companies with their stock prices and market movements.

LOANS

Table listing loan companies with their stock prices and market movements.

A FINANCIAL TIMES MANAGEMENT REPORT

Consolidated Accounts in Europe

Textual report discussing the E.E.C. Seventh Directive on Consolidated Accounts and its impact on directors and accountants.

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INDUSTRIALS—Continued

Table of industrial stocks including Johnson & Johnson, Amgen, and various pharmaceutical and chemical companies.

LEISURE—Continued

Table of leisure stocks including Leisure Travel, Leisure World, and other recreational services.

PROPERTY—Continued

Table of property stocks including various real estate investment trusts and land development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various equity and income funds.

OIL AND GAS—Continued

Table of oil and gas stocks including major energy companies like Shell, BP, and Exxon.

NOMURA THE NOMURA SECURITIES CO. LTD. Nomura International Limited. Logo and contact information.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including various automotive and aerospace companies.

SHIPPING

Table of shipping stocks including various maritime and logistics companies.

SHOES AND LEATHER

Table of shoes and leather goods stocks including various footwear manufacturers.

SOUTH AFRICANS

Table of South African stocks including various local companies.

OVERSEAS TRADERS

Table of overseas trader stocks including various international trade companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including various media companies.

TEXTILES

Table of textile stocks including various clothing and fabric manufacturers.

TOBACCO

Table of tobacco stocks including various tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various financial and real estate entities.

RUBBERS AND SISALS

Table of rubber and sisal stocks including various commodity producers.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including various media and publishing companies.

TOBACCO

Table of tobacco stocks including various tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various financial and real estate entities.

TEAS

Table of tea stocks including various commodity producers.

MINES

Table of mining stocks including various mineral and metal producers.

PROPERTY

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Table of leisure stocks including various recreational and service companies.

MINES—Continued

Table of mining stocks including various mineral and metal producers.

TINS

Table of tin stocks including various commodity producers.

COPPER

Table of copper stocks including various commodity producers.

NOTES

Notes section containing various financial notices, company announcements, and market updates.

REGIONAL MARKETS

Table of regional market data including stock prices and indices for various countries.

OPTIONS

Table of options data including call and put options for various stocks.

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